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11 CALENDAR... - 11  
**BUDGET COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO**

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WEDNESDAY, SEPTEMBER 7, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 101-94-12. [Appropriation, Water Department, \$142,011] Ordinance appropriating \$142,011, Water Department, from Water Department Operating Fund Balance, to capital improvement project (Bay Division Pipeline) for fiscal year 1994-95. RO #94049 (Controller)

ACTION: Consideration continued to September 14, 1994.

2. File 79-92-3.8. [Reserved Funds, Community Development Block Grant] Hearing requesting release of reserved funds, Mayor's Office of Community Development, 1993 Block Grant Program, in the amount of \$81,600, to pay for the necessary improvements to reduce lead poisoning at three child care centers (Mission Neighborhood Center, Visitacion Valley Community Center; 50 Raymond and Visitacion Valley Community Center; 325 Leland). (Mayor's Office of Community Development)

ACTION: Release of reserved funds in the amount of \$81,600 approved. FILED.

3. File 69-94-4. Hearing to consider directing the Clerk of the Board of Supervisors to prepare a supplemental appropriation for the operation of the Municipal Access Channel in the amount of \$84,000. (Supervisor Kennedy)

ACTION: Hearing held. Motion prepared in and reported out of committee entitled, "Directing the Clerk of the Board of Supervisors to submit a supplemental appropriation request for \$84,000 for the improved operation of the Municipal Access Cable Television Channel."  
RECOMMENDED.

4. File 114-94-6. [Earthquake Hazard Reduction] Ordinance amending Building Code by amending Table No. 14-A and Section 1405 to revise the time limits for the submission and approval of applications for permits and to permit extensions of time due to lack of city bond program funds and for other delays and to make revisions to the requirements for notices to owners and signs. (Supervisors Hsieh, Alioto, Bierman)

ACTION: RECOMMENDED. (Supervisors Alioto and Bierman added as cosponsors).

5. File 101-91-27.1 [Release Reserve Funds, Public Works] Hearing requesting release of reserved funds, Department of Public Works, in the amount of \$20,000, for engineering costs for the Civic Center Power House Safety Improvement to purchase steam from the San Francisco Thermal, Limited Partnership (SFTLP), contractor).  
(Department of Public Works)

ACTION: Consideration continued to September 14, 1994.



07  
CITY AND COUNTY



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**BOARD OF SUPERVISORS**

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

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September 2, 1994

**TO:** Budget Committee  
**FROM:** Budget Analyst *Recommendations...*  
**SUBJECT:** September 7, 1994 Budget Committee Meeting

Item 1 - File 101-94-12

**Department:** Water Department

**Item:** Ordinance appropriating \$142,011 from the Water Department Operating Fund Balance for a capital improvement project, the Bay Division Pipeline #1 and #2 Expansion Joint.

**Amount:** \$142,011

**Source of Funds:** Zanker Road Inspection Project Funds, consisting of surplus funds from a completed project to inspect a portion of the Pipeline for possible damage.

**Description:** The proposed supplemental appropriation ordinance would provide \$142,011 to rehabilitate the expansion joints on the Pipeline #1 and #2, which extends from Alameda County under the Bay to San Mateo County, and supplies water to the City and Suburban water users. Mr. Carlos Jacobo of the PUC advises that the expansion joints have exceeded their recommended life and are now deteriorating.

**Comments:** Mr. Jacobo states that the Water Department wishes to continue this item until the September 14, 1994 meeting of the Budget Committee, because the Water Department has not completed project planning and budgeting.

Memo to Budget Committee  
September 7, 1994 Meeting of Budget Committee

**Recommendation:** Continue the proposed supplemental appropriation ordinance to the September 14, 1994 meeting of the Budget Committee.

Item 2 - File 79-92-3.8

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Requesting release of reserved funds in the amount of \$81,600 to pay for the necessary improvements to reduce lead poisoning at three child care centers.

**Amount:** \$81,600

**Source of Funds:** 1993 Community Development Block Grant (CDBG) Funds

**Description:** The Board of Supervisors previously approved the City's 1993 Community Development Block Grant Program (File 79-92-3) in the amount of \$21,708,373. At the same time, the Board placed \$500,000 on reserve for the Lead Hazard Reduction Program Pool, pending the submission of budget details to the Board of Supervisors. The Board subsequently released \$116,000 of the \$500,000 for (1) the testing/analysis and inspection of 58 child care facilities to determine if lead hazards existed; (2) the development of an abatement program for each child care facility that has tested positively for lead contamination; and (3) lead reduction projects at the St. Patrick Day Care Center, located at 366 Clementina Street, and the Florence Crittendon Services child care center, located at 850 Broderick Street. Therefore, the amount remaining on reserve for the Lead Hazard Reduction Program Pool is \$384,000. The Mayor's Office of Community Development (MOCD) is now requesting the release of \$81,600 to pay for a lead reduction project at the three following day care centers: the Mission Neighborhood Center, located at 362 Capp Street; Visitation Valley Community Center, located at 50 Raymond Street; and Visitation Valley Community Center, located at 325 Leland Avenue.

The MOCD reports that the Department of Public Health (DPH) has tested these three child care centers and has found lead in various areas of the facilities. The proposed release of reserved funds would be used to reduce and/or eliminate such lead. The proposed \$81,600 would be expended as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<u>Mission Neighborhood Center (362 Capp Street)</u>		
Removal of lead-painted concrete shower stalls	\$1,000	
Removal and replacement of gutter and downspouts	1,000	
Removal and replacement of windows and trims	<u>20,000</u>	
Subtotal		\$22,000
<u>Visitation Valley Community Center (50 Raymond Street)</u>		
Provision of netting to prevent wind from spreading lead paint chips to other areas	\$3,000	
Removal of lead-based paint from exterior	32,000	
Architectural and technical services	<u>3,200</u>	
Subtotal		38,200
<u>Visitation Valley Community Center (325 Leland Avenue)</u>		
Provision of netting to prevent wind from spreading lead paint chips to other areas	\$1,400	
Removal of lead-based paint from exterior	10,000	
Installation of plywood over soffit (the underside of an overhang), from which lead paint cannot be entirely removed	8,000	
Architectural and technical services	<u>2,000</u>	
Subtotal		<u>21,400</u>
TOTAL		<u>\$81,600</u>

**Comment:** The child care facilities testing positively for lead contamination are responsible for acquiring the contractors who will perform the necessary improvements to remove the lead hazards. According to Mr. Jon Pon of the MOCD, while the child care facilities are not required to comply with the City's MBE/WBE ordinance in awarding the contracts, the MOCD does have a policy similar to the City's MBE/WBE ordinance which requires the child care facilities to make good-faith efforts to retain MBE/WBE contractors, to meet MBE/WBE subcontracting goals, and to publicly advertise through the Purchasing Department.

**Recommendation:** Approve the requested release of reserved funds in the amount of \$81,600.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 3 - File 69-94-4

**Item:** This item is a hearing to consider directing the Clerk of the Board of Supervisors to prepare a supplemental appropriation for the operation of the Municipal Access Channel in the amount of \$84,000.

**Description:** The Municipal Access Channel, which began operation in June of 1993, is budgeted in the Clerk of the Board's budget in the amount of \$50,000 for FY 1994-95. The purpose of the Municipal Access Channel is to televise government programming. The current source of funds for the operation of the Municipal Access Channel is the Cable Television Access and Development Fund. This Fund consists of .2 percent of the 5 percent total franchise fees paid to the City by Viacom (the remaining 4.8 percent of the franchise fees accrues to the General Fund). The monies in the Cable Television Access and Development Fund for FY 1994-95 are allocated equally between (1) a professional services contract aimed at promoting and encouraging the use of Public Access Cable television channels (\$50,000), (2) contract services which assist in the operation of the Educational Access cable channel of the City College of San Francisco (\$50,000) and (3) the Municipal Access Channel (\$50,000).

Mr. Zane Blaney, Channel Manager of the Municipal Access Channel, advises that the Municipal Access Channel has projected that the total amount required to fund the operations of the Municipal Access Channel at an adequate level of programming for the entire FY 1994-95 is \$347,000 or \$297,000 more than the \$50,000 currently budgeted for this purpose. According to Mr. Blaney, the Municipal Access Channel currently does not have sufficient funding to maintain its current level of programming and will be forced to discontinue programming if additional funds are not identified. As such, the Municipal Access Channel has been in discussions with various City departments in an attempt to identify additional funding sources.

Mr. Blaney advises, and Mr. Steve Nelson of the Chief Administrative Officer (CAO) confirms, that the CAO has identified \$84,000 which can be used to support the Municipal Access Channel operations. According to Mr. Nelson, the funds would come from the Department's capital project's disability access account. The disability access account is used to pay for capital improvements which improve disability access to City-owned buildings. Mr. Nelson advises that the CAO would, in turn, be reimbursed the \$84,000 for the disability access account by the Mayor's Office of Community Development

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Budget Committee  
September 7, 1994 Budget Committee Meeting

(MOCD), from monies earmarked for disability access purposes in the Community Development Block Grant (CDBG) funds. If the \$84,000 is made available to the Municipal Access Channel, it would bring the total budget for this Channel to \$134,000 for FY 1994-95 (\$50,000 plus \$84,000) or \$213,000 less than the need for FY 1994-95 as projected by Mr. Blaney.

Mr. Blaney also advises that the Public Library is in the process of determining whether it can identify an additional source of funding for the Municipal Access Channel.

**Comments:**

1. The Municipal Access Channel provides coverage of the Board of Supervisors meetings and public service announcements from various City Departments including the Department of Public Health, Police Department, Office of Emergency Services, the Public Library and the Academy of Sciences. Additionally, the Municipal Access Channel provides notices of upcoming City agency and committee meetings and an interactive computer system (Response TV) which the public can access with their touch-tone phone. This interactive system contains data on almost all City departments, agencies and organizations. Cable subscribers can bring up data on their television set ranging from a phone directory of City departments to volunteer programs at the Animal Care and Control Center.

2. The Budget Analyst has requested a detailed FY 1994-95 budget from Mr. Blaney based on his projected need of \$347,000 for the Municipal Access Channel operation. As of the writing of this report, such a budget was not available.

Item 4 - File 114-94-6

**Item:** Ordinance amending Part II, Chapter 1 of the Building Code by amending Table No. 14-A and Section 1405 to revise the time limits for the submission and approval of applications for permits and to permit extensions of time due to the lack of City bond program funds and for other delays and to make revisions to the requirements for notices to owners and signs.

**Description:** Section 1. Part II, Chapter 1 of the Building Code outlines the guidelines and regulations pertaining to the permit process for retrofit work to be performed under the City bond-funded Unreinforced Masonry Building (UMB) Program. Section 1. Part II, Chapter 1 would be amended to add language to provide that building owners may be allowed one or more extensions of time, totaling not more than two years, to submit their building permit application for retrofit work, in connection with delays in financing under the UMB Program. Currently, building owners with properties which are most at risk have one year from February 15, 1993, in which to submit their building permit application, unless an extension (in increments of six months) is approved in connection with buildings with existing leases or for tenant relocation conditions.

Ms. Kelly Hayden of the Office of the Chief Administrative Officer (CAO), advises that this amendment is being proposed to allow the building owners additional time and greater flexibility regarding the submission of building permit applications because the financing under this City bond-funded program has experienced delays. According to Ms. Hayden, the approximately \$34,000,000 in bond funds is anticipated to be available for loans by February 15, 1995.

Section 1405 of the Building Code outlines guidelines relating to (1) the Building Superintendent's responsibilities for notifying building owners known by the Bureau of Building Inspection to have property that falls within the scope of the UMB Program (all unreinforced masonry building), (2) the Building Superintendent's responsibility for recording notices with the County Recorder regarding construction work in connection with buildings under the UMB Program and (3) the Building Superintendent's responsibilities related to removal of buildings from the UMB inventory list based on a determination that no retrofit work is required or that required retrofit work has been completed.

The proposed amendment would add language to Section 1405 which would provide (1) that the Bureau of Building Inspection

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

will provide each building owner with a sign, upon satisfactory completion of a retrofit, of the same size required by California Government Code Section 8875.8, which states "This building has been seismically retrofitted to reduce the risk of death or injury in the event of a major earthquake pursuant to Chapters 14 and 15 of the San Francisco Building Code", and (2) make minor technical changes to this Section.

**Comment:**

1. Ms. Paulette Hooey of the Bureau of Building Inspection, advises that there are approximately 2,100 UMB buildings. According to Ms. Hooey, it would cost approximately \$12.00 per sign for the above-noted signs for a total cost of approximately \$25,200 (2,100 UMB buildings x \$12.00 per sign). The UMB Program will cover a 13 year period, which will allow these costs to be spread out over several years.

2. According to Ms. Hayden, allowing building owners additional time and greater flexibility, as proposed by the subject ordinance will result in no fiscal impact on the City.

**Recommendation:** Approve the proposed ordinance.

Item 5 - File 101-91-27.1

**Department:** Department of Public Works (DPW)

**Item:** Requesting release of reserved funds in the amount of \$20,000 for engineering costs for the Civic Center Powerhouse Safety Improvement to purchase steam from the San Francisco Thermal Limited Partnership (SFTLP).

**Amount:** \$20,000

**Source of Funds:** DPW Special Revenue Fund, Real Property Fund Reserve

**Description:** In December of 1991, the Board of Supervisors approved a supplemental appropriation ordinance in the amount of \$200,000 for safety improvements to the Civic Center Powerhouse at 302 Larkin Street. The Civic Center Powerhouse produces steam in order to heat City Hall, City Hall Annex (where the new courthouse will be located), Brooks Hall, Civic Auditorium, the Main Library, the Department of Public Health office building (101 Grove Street) and the Emergency Hospital. Of the \$200,000 supplemental appropriation, the Board of Supervisors placed \$160,000 on reserve, pending the selection of a contractor and the MBE/WBE status of the contractors.

In 1992, the Bay Area Air Quality Management District (BAAQMD) instituted Boiler Regulation 9, Rule 7, which set mandatory limits on nitrogen oxide and carbon monoxide emissions from boilers and required that additional improvements be made to the Civic Center Powerhouse in order to comply with this new regulation. The Department of Public Works (DPW) estimates that the one-time cost of these improvements would be \$2.3 million.

After searching for less expensive alternatives to the additional improvements to the Civic Center Powerhouse, DPW concluded that it would be less expensive to purchase steam from another source than for the Civic Center Powerhouse to continue producing steam (See Comment No. 1). In addition, the City would save the \$2.3 million cost to upgrade the Civic Center Powerhouse.

DPW advises that it is currently negotiating an agreement with San Francisco Thermal Limited Partnership (SFTLP), a public utility regulated by the California State Public Utilities Commission, to allow the City to purchase steam from SFTLP. According to DPW, the City would save \$3.4 million annually by purchasing steam from SFTLP and halting the Civic Center

Powerhouse's production of steam. In addition, the City would avoid the one-time \$2.3 million cost to upgrade the Civic Center Powerhouse to current standards, for a total savings of \$5.7 million.

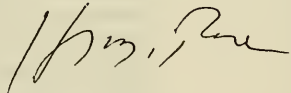
DPW is now requesting the release of \$20,000 in reserved funds for engineering costs for DPW's Bureau of Engineering (See Comment No. 2).

**Comments:**

1. The Civic Center Powerhouse is currently operated by four Stationery Engineers employed by the Bureau of Building Repair (BBR) in the Department of Public Works. If an agreement to purchase steam from the SFTLP is reached, two of these employees will either be laid off or transferred to the new jail facility at the Hall of Justice, and the other two employees will be transferred to other facilities operated by BBR.

2. At this time, DPW is unable to provide a detailed budget for the proposed \$20,000 release of reserved funds. As such, DPW requests that this item be continued to the Budget Committee meeting of September 14, 1994.

**Recommendation:** Continue this item to the September 14, 1994 Budget Committee meeting, as requested by DPW.



Harvey M. Rose

cc: Supervisor Hsieh  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher

Supervisor Shelley  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
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Teresa Serata  
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September 8, 1994

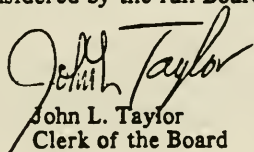
**NOTICE OF MATTER CALLED OUT OF COMMITTEE**

**TO WHOM IT MAY CONCERN:**

Notice is hereby given that the following matter has been called out of the Budget Committee:

File 127-93-17. [Business and Payroll Expense Tax Amnesty] Ordinance amending Part III, Municipal Code by adding Article 17 to establish a tax penalty amnesty program between December 1, 1994 and January 31, 1995 for delinquent payroll expense and business taxes; by amending Article 12-A, Section 909.1 to increase and add penalties for delinquent payroll expense taxes as of February 1, 1995 and amending Article 12-B by adding Section 1013.1 to increase and add penalties for delinquent business taxes as of February 1, 1995. (Supervisors Kaufman, Leal)

The above item will appear on the Board of Supervisors' calendar for its meeting of Monday, September 12, 1994, at 2:00 p.m., in the Legislative Chamber, Second Floor, City Hall, at which time it will be considered by the full Board.

  
John L. Taylor  
Clerk of the Board

BUDGET COMMITTEE  
BOARD OF SUPERVISORS  
ROOM 235, CITY HALL  
SAN FRANCISCO, CA 94102

IMPORTANT HEARING NOTICE

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IN CALENDAR ... ACTION TAKEN  
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WEDNESDAY, SEPTEMBER 14, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 101-94-2.3. [Government Funding] Ordinance amending the Annual Appropriation Ordinance, 1994-95, File 101-94-2, giving effect to revenue changes pursuant to Charter Section 6.208 and adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 6.400, and adjusting appropriations to meet the requirements of the Airport, as a pre-requisite to levy a tax pursuant to Charter Section 6.208. (Controller).

(Continued from 8/31/94)

ACTION: Consideration continued to call of the chair.

2. File 64-94-5. [Lease, Vacant Caltrans Property, Homeless Shelter] Resolution urging the Mayor to pursue leasing of vacant Caltrans property for \$1.00 per month for homeless shelter or housing. (Supervisors Bierman, Alioto, Hsieh)

(Continued from 8/31)

ACTION: Amended in title only. New title: "Urging the Mayor to pursue leasing of vacant Caltrans property for \$1.00 per month for homeless related services and programs as allowed under Senate Bill 120."

RECOMMENDED AS AMENDED. (Supervisor Hsieh added as cosponsor)

3. File 101-94-12. [Appropriation, Water Department] Ordinance appropriating \$142,011, Water Department, from Water Department Operating Fund Balance, to capital improvement project (Bay Division Pipeline) for fiscal year 1994-95. RO #94049 (Supervisor Alioto)

(Continued from 9/7/94)

ACTION: Consideration continued to September 21, 1994. (Supervisor Alioto added as sponsor)

4. File 101-91-27.1 [Release Reserve Funds, Public Works] Hearing requesting release of reserved funds, Department of Public Works, in the amount of \$20,000, for engineering costs for the Civic Center Power House Safety Improvement to purchase steam from the San Francisco Thermal, Limited Partnership (SFTLP), contractor). (Department of Public Works)

(Continued from 9/7/94)

ACTION: Release of reserves in the amount of \$20,000 approved. FILED.

5. File 101-93-34.1. [Reserved Funds, PUC/Water Department] Hearing requesting release of reserved funds, Public Utilities Commission, Water Department, in the amount of \$100,000, for development fees for local government review and approval of the Specific Plan and EIR for the Pleasanton Property Development Plan. (Public Utilities Commission)

ACTION: Release of reserved funds in the amount of \$100,000 approved. FILED.

6. File 100-94-1.4. [Reserved Funds, PUC/Water Department] Hearing requesting release of reserved funds, Water Department in the amount of \$200,000, for development fees for local government review and approval of the Specific Plan and EIR for the Pleasanton properties, legal services of the City Attorney's Office and funding of the final portion of the consultant's contract. (Water Department)

ACTION: Release of reserved funds in the amount of \$17,000 approved. See Budget Analyst report for explanation of funds released. FILED.

7. File 101-91-71.2. [Release Reserved Funds, DPH] Hearing requesting release of reserved funds, Department of Public Health, in the amount of \$16,995, for the as needed expenses for items such as training, software modification, and unanticipated equipment that may be identified in the course of the Hospital Communication Project. (Department of Public Health)

ACTION: Consideration continued to September 21, 1994.

8. File 124-94-10. [Administrative Fee - Towing of Vehicles] Resolution approving a fee of One Hundred Fifty Dollars (\$150.00) proposed by the Chief of Police to reimburse the Police Department for removal of vehicles impounded as part of an enforcement program funded by a grant from the Office of Traffic Safety as specified in Traffic Code Section 170.2A. (Also see File 124-94-8.) (Police Commission)

ACTION: Consideration continued to October 5, 1994.

9. File 124-94-5. [Parking Meters to Accept Nickels/Dimes/Quarters] Ordinance amending Traffic Code by amending Sections 203.2, 203.3 and 203.4 to provide that parking meters within Parking Meter Areas Numbers 2, 3 and 4 will be operated by nickels, dimes and quarters, instead of only by quarters; and setting completion date of December 31, 1995, for completing the modification of parking meters. (Supervisors Maher, Alioto) (FISCAL IMPACT)

(Transferred from Housing and Land Use Committee September 1, 1994)

ACTION: To Board with recommendation "DO NOT PASS" (Supervisor Alioto dissenting)

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

September 12, 1994

**TO:** // Budget Committee  
**FROM:** // Budget Analyst *Recommendation*  
**SUBJECT:** September 14, 1994 Budget Committee Meeting

Item 1 - File 101-94-2.3

**Note:** This item was continued from the Budget Committee meeting of August 31, 1994.

The proposed ordinance would amend the previously approved 1994-95 Annual Appropriation Ordinance (File No. 101-94-2), giving effect to revenue changes pursuant to Charter Section 6.208 and adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 6.400 (a) (2) (E) and adjusting appropriations to meet the requirements of the Airport, as a prerequisite to levy a tax pursuant to Charter Section 6.208.

### Comment

According to the Controller's Office, the Mayor's Office has not finalized its proposed amendments to the Annual Appropriation Ordinance at this time. Further, the proposed ordinance assumes that the Property Transfer Tax increase will be approved. Therefore, Mr. Ed Harrington recommends that the proposed ordinance be continued pending submission of any final adjustments to the Annual Appropriation Ordinance which might be proposed by either the Mayor or the Board of Supervisors.

### Recommendation

In accordance with Mr. Harrington's recommendation, continue the proposed ordinance to the call of the Chair.



Item 2 - File 64-94-5

**Note:** This item was continued from the Budget Committee meeting of August 31, 1994.

**Department:** Mayor's Office

**Item:** The proposed resolution would urge the Mayor to pursue leasing of vacant Caltrans property for \$1.00 per month for homeless shelter or housing.

**Description:** The State Legislature approved Senate Bill (SB) 120 on October 2, 1993. Under SB 120, "Any airspace under a freeway, or real property acquired for highway purposes, in the City and County of San Francisco, which is not excess property, may be leased by the department (Caltrans) to the City and County or another political subdivision or a State agency for purposes of an emergency shelter or feeding program." This legislation provides that the lease amount for such property shall be \$1.00 per month. In addition, the lessee would be responsible for the payment of an administrative fee not to exceed \$500 per year, unless Caltrans determines that a higher administrative fee is necessary, for its cost of administering the lease. Attached is a letter from Assemblyman John L. Burton, co-author of SB 120, which provides clarification regarding what types of Caltrans property this legislation was intended to include.

The proposed legislation would (1) urge the Mayor to request from Caltrans a list of all vacant property owned by Caltrans in San Francisco, (2) urge the Mayor to formally request the lease of any property which may be covered under SB 120 and (3) urge the Mayor to initiate a formal request for use of vacant property located at 66 Berry Street, which is owned by Caltrans (see Comment 3 below). According to the proposed legislation, this vacant property had been purchased for highway expansion that is no longer planned.

**Comments:** 1. As noted above, under SB 120, "excess property" is excluded from the categories of properties that may be leased by Caltrans to the City and other public entities for homeless services. Mr. Clyde Ongaro of Caltrans advises that Caltrans interprets "excess property" to be property which is surplus to Caltrans needs (property that is no longer required for project purposes). Such surplus property under Caltrans regulations must be sold and, according to Caltrans, would not be available for lease under SB 120.

2. Mr. Larry Appiano of Caltrans reports that currently Caltrans owns approximately 160 airspace properties in San



Francisco. According to Caltrans, such properties can consist of vacant land or developed land (i. e., land which includes one or more buildings) under freeways. Of these airspace properties, approximately 85 percent are currently being leased (40 percent of these are scheduled to be used in connection with future seismic retrofit projects), leaving approximately 15 percent which are potentially available for lease. According to Mr. Appiano, of those airspace properties that are currently available for lease, none include buildings, with the exception of one or two which include storage facilities. Mr. Appiano, adds that outside of airspace properties, Caltrans currently does not own any other property in the City except that which falls under the category of surplus property.

3. As previously noted, the proposed legislation would urge the Mayor to initiate a formal request for use of vacant property located at 66 Berry Street. According to Mr. Appiano, this property, which includes six old warehouse buildings (four of which are currently being leased and two of which are being used by Caltrans) and some vacant land, is surplus property and preliminary negotiations are in process to sell this property to the Port. Mr. Jim Lazarus of the Port confirms that such negotiations are currently underway to purchase this property pursuant to AB84, enacted in 1984, which gives the Port first right to buy this property. According to Mr. Lazarus, if the Port is able to acquire this property it may be used, in combination with existing Port property, for a ball park or arena at some future date. Mr. Lazarus notes that once purchased, this property could be available for some undetermined interim use until it has been decided whether the property will be used for a ball park or arena.

4. Ms. Eleanor Jacobs, Homeless Coordinator of the Mayor's Office advises that the Mayor's Office has evaluated the suitability of the vacant airspace properties that are currently available for lease from Caltrans. According to Ms. Jacobs, the Mayor's Office believes that the cost to construct a homeless shelter on any of these vacant properties would be prohibitive at this time. Ms. Jacobs adds that no specific funding has been identified to construct such shelters.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

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SPVSR SUE BIERMAN

## SACRAMENTO ADDRESS

State Capitol  
Sacramento, CA 95814  
(916)445-8253

## DISTRICT OFFICE

456 Golden Gate Avenue  
State Building, Suite 2202  
San Francisco, CA 94102  
(415) 557-2253

# Assembly California Legislature

JOHN BURTON

MEMBER OF THE ASSEMBLY  
Twelfth DistrictCHAIRMAN:  
RULESCOMMITTEES:  
HEALTH  
WAYS AND MEANS

May 31, 1994

Supervisor Sue Bierman  
City Hall, Room 235  
San Francisco, CA 94102

Dear Supervisor Bierman:

In 1993, Senator Quentin Kopp and I authored SB 120, which allows San Francisco to utilize vacant Caltrans property for homeless services.

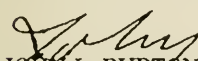
I understand you have introduced a resolution to the Board of Supervisors requesting the City to take some action to acquire vacant Caltrans property pursuant to this legislation. I also understand there may be some confusion as to whether this bill was solely intended for airspace under freeways or intended only for vacant lots.

The legislation was intended to apply to any property acquired by Caltrans for freeway expansion. This includes areas under freeways and areas where freeway expansion was planned. Further, the intention was for buildings, as well as any use of vacant lots.

The legislation states: "Any airspace under a freeway, or real property acquired for highway purposes, in the City and County of San Francisco, which is not excess property, may be leased by the department to the city and county or another political subdivision or a state agency for purposes of an emergency shelter or feeding program."

Thank you for your help in implementing this legislation.

Peace and friendship,

  
JOHN L. BURTON

Member of the Assembly  
Twelfth District

cc: San Francisco Tenants Union





Item 3 - File 101-94-12

**Note:** This item was continued by the Budget Committee at its meeting of September 7, 1994.

**Department:** Water Department

**Item:** Ordinance appropriating \$142,011 from the Water Department Operating Fund Balance for a capital improvement project, the Bay Division Pipeline #1 and #2 Expansion Joint.

**Amount:** \$142,011

**Source of Funds:** Zanker Road Inspection Project Funds, consisting of surplus funds from a completed project to inspect a portion of the Pipeline for possible damage.

**Description:** The proposed supplemental appropriation ordinance would provide \$142,011 to rehabilitate the expansion joints on the Pipeline #1 and #2, which extends from Alameda County under the Bay to San Mateo County, and supplies water to the City and Suburban water users. Mr. Carlos Jacobo of the PUC advises that the expansion joints have exceeded their recommended life and are now deteriorating.

**Comments:** Mr. Jacobo states that the Water Department requests that this item be continued to the September 21, 1994 meeting of the Budget Committee, because the Water Department has not completed project planning and budgeting.

**Recommendation:** Continue the proposed supplemental appropriation ordinance to the September 21, 1994 meeting of the Budget Committee.



Item 4 - File 101-91-27.1

**Note:** This item was continued by the Budget Committee at its meeting of September 7, 1994.

**Department:** Department of Public Works (DPW)

**Item:** Requesting release of reserved funds in the amount of \$20,000 for engineering costs for the Civic Center Powerhouse Safety Improvement to purchase steam from the San Francisco Thermal Limited Partnership (SFTLP).

**Amount:** \$20,000

**Source of Funds:** DPW Special Revenue Fund, Real Property Fund Reserve

**Description:** In December of 1991, the Board of Supervisors approved a supplemental appropriation ordinance in the amount of \$200,000 for safety improvements to the Civic Center Powerhouse at 302 Larkin Street. The Civic Center Powerhouse produces steam in order to heat City Hall, City Hall Annex (where the new courthouse will be located), Brooks Hall, Civic Auditorium, the Main Library, the Department of Public Health office building (101 Grove Street) and the Emergency Hospital. Of the \$200,000 supplemental appropriation, the Board of Supervisors placed \$160,000 on reserve, pending the selection of a contractor and the MBE/WBE status of the contractors.

In 1992, the Bay Area Air Quality Management District (BAAQMD) instituted Boiler Regulation 9, Rule 7, which set mandatory limits on nitrogen oxide and carbon monoxide emissions from boilers and required that additional improvements be made to the Civic Center Powerhouse in order to comply with this new regulation. The Department of Public Works (DPW) estimates that the one-time cost of these improvements would be \$2.3 million.

After searching for less expensive alternatives to the additional improvements to the Civic Center Powerhouse, DPW concluded that it would be less expensive to purchase steam from another source than for the Civic Center Powerhouse to continue producing steam (See Comment No. 1). In addition, the City would save the \$2.3 million cost to upgrade the Civic Center Powerhouse.

DPW advises that it is currently negotiating an agreement with San Francisco Thermal Limited Partnership (SFTLP), a public utility regulated by the California State Public Utilities

Memo to Budget Committee  
September 14, 1994 Budget Committee Meeting

Commission, to allow the City to purchase steam from SFTLP. According to DPW, the City would save approximately \$377,000 annually by purchasing steam from SFTLP and halting the Civic Center Powerhouse's production of steam. In addition, the City would avoid the one-time \$2.3 million cost to upgrade the Civic Center Powerhouse to current standards.

DPW is now requesting the release of \$20,000 in reserved funds for engineering costs for DPW's Bureau of Engineering and for Department of Real Estate costs, which would be expended as follows:

<u>Department of Public Works</u> (Feasibility and engineering studies, cost estimating, negotiation, preparation of agreement and coordination of inputs from various City departments)	
5254 Associate Mechanical Engineer (41 hours)	\$2,501
5382 Student Engineering Trainee III (80 hours)	2,816
5506 Project Manager III (106 hours)	9,675
Subtotal	\$14,992
<u>Real Estate Department</u> (Cost estimating, review of proposals and agreement)	
Total	\$5,008
	\$20,000

Attached is a Memo prepared by Mr. Robert Jew of the DPW, which provides a detailed explanation of the activities noted above to be performed by DPW and the Real Estate Department in connection with the proposed contract

**Recommendation:** Approve the proposed release of reserved funds in the amount of \$20,000.

## City and County of San Francisco

Bureau of Engineering

Department of Public Works  
DIVISION OF GENERAL ENGINEERING SERVICES

TO: Sandy Brown-Richardson  
Budget Analyst

FROM: Robert Jew  
Project Manager

MEMORANDUM

DATE: September 9, 1994

FILE NO.

SUBJECT: Release of \$20,000 to Department of Public Works  
Reference File No.101-91-27.1

As discussed, following is the explanation of the budget breakdown on the previous page.

Department of Public Works (DPW) is considering purchasing steam from San Francisco Thermal (SFT) to heat the City owned buildings in the Civic Center area in lieu of generating steam at the City owned plant. SFT is a public utility regulated by the California Public Utility Commission (CPUC), currently owning and operating a steam generation and distribution system which supplies steam to many downtown hotels and large office buildings. The nearest connection point to SFT's steam distribution system is one block away from the City's steam distribution system therefore requiring connection lines to be installed.

The requested funds are needed to address the following issues:

- Connection to SFT system
  - SFT proposed that the City fund part of the cost of installing steam supply lines from their steam distribution piping system to the City's steam distribution piping system, and the cost of the required repairs to the City's system. This will be in excess of \$1 million. DPW needs to verify the feasibility, routing, constructibility, and the cost of this work.
- Interfacing with SFT system
  - There is a difference in the pressure and the amount (volume) of the steam supplied by SFT and that of the City's system. Also, SFT will not provide condensate pickup for the first two years. DPW needs to investigate and determine the present and the future heating requirements of the buildings connected to the City's steam distribution piping system, and that SFT can meet our heating demands.
- Coordination
  - During the negotiation process, DPW has to coordinate work with the other City departments, building tenants and operator (BBR).
- Document preparation
  - DPW has to draft the final agreement, get approval from the Board of Supervisor and verify compliance with Proposition 'J'.
- Real Estate
  - The Department of Real Estate (DRE) needs to review the agreement, estimate the value of the City owned distribution system, and determine the final form of the contract since the system will be turned over to SFT for operation. DRE will also assist in negotiations.





Items 5 and 6 - Files 101-93-34.1 and 100-94-1.4

**Department:** Water Department  
Public Utilities Commission (PUC)

**Items:** **File 101-93-34.1** - Requesting release of reserved funds in the amount of \$100,000 for development fees for local government review and approval of the Specific Plan and Environmental Impact Review (EIR) for the Pleasanton Property Development Plan.

**File 100-94-1.4** - Requesting release of reserved funds in the amount of \$200,000 for the Pleasanton Land Project.

**Amount:** \$100,000 - File 101-93-34.1  
200,000 - File 100-94-1.4  
\$300,000 - Total

**Source of Funds:** File 101-93-34.1 - Hetch Hetchy Operating Fund  
File 100-94-1.4 - Water Department's FY 1994-95 Budget (General Fund)

**Description:** On December 13, 1993 the Board of Supervisors approved a supplemental appropriation ordinance (File 101-93-34) to appropriate \$675,000 for planning and related City activities for the Pleasanton Land Project. The Pleasanton Land Project involves development of a 550-acre surplus site owned by the San Francisco Water Department (SFWD) in the southern area of Pleasanton near Interstate Highway 680 and Bernal Avenue. The supplemental appropriation included the following cost items:

•The Planning Collaborative Inc. (consultant)  
Increase in contract to fund FY 1993-94 work  
on Draft Specific Plan and environmental review: \$500,000

•City Attorney 75,000

•Development Fees 100,000

Total Supplemental Appropriation \$675,000

The \$100,000 in development fees was reserved pending the submission of additional details to the Budget Committee regarding these funds.

In addition to the \$675,000 supplemental appropriation, the Water Department reported at that time that an additional \$317,000 would be needed for additional consultant services,

City Attorney costs and development fees for the Pleasanton Land Project and that this amount would be included in the Water Department's FY 1994-95 budget. The Water Department's FY 1994-95 budget allocated \$500,000 for the Pleasanton Land Project, or \$183,000 more than what the Water Department indicated that it would need to complete the Project (See Comment No. 2). The \$500,000 allocated for the Project in the 1994-95 budget includes the previously mentioned \$317,000 amount, plus \$183,000 to cover additional legal costs incurred due to project delays and to pay for additional consulting services, including environmental work, such as wastewater treatment and toxics investigation, the preparation of a tentative map of the project, and the evaluation of alternatives for finding a development partner for the City. The table below shows a breakdown of the \$317,000 and the \$183,000 (a total of \$500,000) included in the Water Department's FY 1994-95 budget.

The Planning Collaborative, Inc./		
Other Consulting Services <sup>1</sup>	\$167,000	\$83,000
City Attorney	50,000	100,000
Development Fees	<u>100,000</u>	<u>0</u>
Total	\$317,000	\$183,000*

Total included in the Water Department's FY 1994-95 Budget	\$500,000
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\* The above allocation is tentative. See Comments No. 5 and 6.

Of the total of \$500,000 allocated in the Water Department's 1994-95 budget for the Project, \$200,000 was placed on reserve by the Budget Committee, pending the establishment of a Pleasanton Lands Project Advisory Committee and the provision of a progress report to the Board of Supervisors as to the disposition of the property. As of the writing of this report, a Pleasanton Lands Project Advisory Committee has been established but has not yet submitted a quarterly progress report. However, Mr. Robert Vasconcellos, as Project Manager of the Pleasanton Land Project, has submitted a status report, which includes a progress report as to the disposition of the property, to the Board of Supervisors (See Comment No. 4).

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<sup>1</sup> See Comments No. 2 and 3.

Although surrounded by City of Pleasanton lands, the site of the Pleasanton Land Project remains an unincorporated area of Alameda County. Starting in 1986, San Francisco officials began discussions with local officials regarding development of the site, in an attempt to generate an on-going stream of revenue for the PUC and the General Fund. (The PUC has not yet negotiated an agreement with the Mayor's Office regarding how future revenues would be allocated between the PUC and the General Fund.)

Following extensive reviews by a Citizen's Review Committee in the City of Pleasanton, a Preferred Plan, (which is a precursor to the project Specific Plan) was presented by the City of San Francisco, through the PUC, to the Pleasanton City Council in March 1993. The Pleasanton City Council chose not to approve the proposed Plan, but instead referred it to the Pleasanton General Plan Update Committee, which has not taken further official action.

However, as noted above, the project is actually located in an unincorporated area of Alameda County. On May 5, 1994 the Alameda County Board of Supervisors approved the East County Area Plan, which includes a necessary zoning change for the site from an agricultural designation to a mixed use (commercial and residential) designation. Project Manager Mr. Vasconcellos advises that the next step in the process of obtaining local government approvals for the project is to submit a Draft Specific Plan and Draft Environmental Impact Report (EIR) to the Alameda County Planning Department for review.

The Alameda County Planning Department must perform a variety of tasks to finalize the Draft Specific Plan and EIR, and supervise a public comment period, prior to bringing the Specific Plan and EIR to the Alameda County Board of Supervisors for approval.

The proposed \$100,000 release of reserve (File 101-93-34.1) would pay the Alameda County Planning Department for the following estimated development fees to process the SFWD Pleasanton Land Development Project application, based on an average hourly rate, including overhead, for staff to be assigned to the project, of approximately \$90:

<u>Task</u>	<u>Estimated Hours</u>	<u>Budget</u>
1. Review and revise Draft Specific Plan and Draft Planned Development application; circulate Draft Specific Plan.	222	\$20,000
2. Review preliminary environmental analyses; prepare, publish and circulate Draft EIR.	445	40,000
3. Prepare staff analyses for decision-makers and the public; make presentations to the Alameda County Planning Commission and Board of Supervisors.	445	40,000
Total	1,112	\$100,000

(Costs are rounded to the nearest \$1,000; as noted below in Comment #1, the Alameda County Planning Department will record actual hours worked and refund any excess amount paid.)

Of the proposed \$200,000 release of reserved funds (File 100-94-1.4), \$17,000 would partially fund a previous amendment to the contract with The Planning Collaborative, Inc., which had provided additional funding for The Planning Collaborative to complete the Specific Plan and the EIR. This \$17,000 amount is part of the \$317,000 in additional costs for the Pleasanton Land Project, which, as previously noted, the Water Department had originally anticipated when the supplemental appropriation ordinance (File 101-93-34) was approved in December of 1993. The remaining \$183,000 of the \$200,000 request would be expended on the services of the City Attorney and on consulting services, which could possibly include additional services from The Planning Collaborative, Inc. and other environmental consultants. However, as of the writing of this report, the Water Department had not yet selected the additional consultants and therefore was unable to provide a detailed budget for the remaining \$183,000 of the requested \$200,000 release or a list of the additional consultants and their MBE/WBE status (See Comment No. 5).

A financial subconsultant to the Pleasanton Land Project, the Economic and Planning Systems Consultants, estimates that the project could generate net revenues of \$319 million over a 15 year build-out period. Mr. Vasconcellos reports that the first five years of the project should generate approximately \$22 million to \$27 million of revenue to the PUC and the General Fund. This five-year projection assumes total revenues of approximately \$72 million (\$60 million from the



sale of single family residences plus \$12 million from leases), of which \$45 million to \$50 million would be used to complete construction on the remaining development. Ms. Noreen Ambrose of the City Attorney's Office advises that actual revenues to the PUC will be effected by decisions that will be made by the PUC and the Board of Supervisors, based on recommendations by the City's Project Team (consisting of Mr. Vasconcellos, Deputy City Attorney Noreen Ambrose, The Planning Collaborative, Inc. and Mr. Barry Sherman, an East Bay residential developer who has been retained to provide advice based on his real estate development and finance experience) regarding the specific nature of San Francisco's continued participation in the project after a development agreement has been signed.

The City's Project Team is currently in the process of performing a preliminary analysis regarding means of financing the development. Mr. Vasconcellos anticipates that, following negotiation of a development agreement with Alameda County, the City will explore three broad options relative to disposition of the property: (1) to sell the property outright; (2) to become a silent equity partner with a guaranteed income stream; or (3) to stay on as an active partner, taking more risk and a higher percentage of the profits. The partnership could be carried out directly by the City or through the creation of a non-profit development corporation to shield the General Fund from some of the financial and legal risks. The potential for use of revenue bonds as a financing source is another area that has not yet been thoroughly explored by the project team.

**Comments:**

1. Ms. Deborah Stein of the Alameda County Planning Department states that her department does careful accounting to keep track of actual hours spent, and will revise charges for the requested \$100,000 in development fees (File 101-93-34.1) for processing the SFWD's Pleasanton Land Development Project application if necessary.

2. As stated in the Budget Analyst's report on the supplemental appropriation that contains the funds requested for release from reserve (File 101-93-34), funds were initially appropriated for the Pleasanton Land Project in March, 1987. At that time the Board of Supervisors appropriated \$375,000 to the SFWD to formulate, in cooperation with the City of Pleasanton, a Specific Plan for development and a draft EIR for the Pleasanton Land Project. In May, 1989, \$100,000 of additional funds were transferred from the SFWD's Capital Improvement Programs to supplement the previous \$375,000 funding for the Specific

Plan and draft EIR and to pay for outside legal counsel associated with the sale of a 26.9 acre portion of the site to the Pleasanton School District. The land sale yielded \$3,125,000 in revenues for the SFWD. At that time, in response to inquiries by the Budget Analyst's Office, the PUC Planning staff indicated that no additional funds, beyond the \$475,000 (\$375,000 plus \$100,000) already appropriated, would be needed to complete the Specific Plan and draft EIR.

However, since that time there have been four amendments to the original agreement with The Planning Collaborative, Inc. Additional SFWD staff costs, City Attorney costs and development fees have also been incurred. In addition, Mr. Vasconcellos advises that because of the additional \$83,000 in consulting services, an undetermined portion of which may pay for additional consulting services from The Planning Collaborative, Inc., a fifth amendment to the original agreement with The Planning Collaborative, Inc. may be required. A summary of project costs provided by the SFWD is attached (Attachment I). This summary shows costs of \$2,233,058 incurred through September of 1994. The SFWD project cost summary shows another \$686,000 in anticipated costs for the period from October 1994 through March 1995, which includes the \$300,000 requested for release from reserve in this hearing, for a total of \$2,919,058 in project costs through March, 1995, including the \$500,000 contained in the Water Department's FY 1994-95 budget. Mr. Vasconcellos states that additional project costs will be incurred after March 1995, but the amount of these future project costs will depend upon the City's selection of a property disposition strategy and the nature of the City's participation in financing the property development.

3. As previously approved by the Board of Supervisors on December 1, 1993, the supplemental appropriation ordinance (101-93-34) which included the \$100,000 requested for release from reserve (File 101-93-34.1), was approved on the basis that the Public Utilities Commission would:

- Identify and compile all of the costs that the City has incurred, to date, on the Pleasanton Land Project, and submit such information to the Board of Supervisors;
- Submit a report in three months to the Board of Supervisors updating the status and progress of the Pleasanton Land Project; and
- Submit any future amendments to The Planning Collaborative, Inc. contract or any additional funds to be

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



expended on this Project to the Board of Supervisors for review and approval.

That ordinance was approved by the Board of Supervisors in December, 1993, so the three-month status report was due in March, 1994. A status report and summary of project costs was submitted to the Clerk of the Board by the Water Department on June 1, 1994. Attachment II is an updated version of three-month status report and summary of project costs, dated August 29, 1994.

The previously approved supplemental appropriation ordinance also requires Board of Supervisors approval for any additional amounts needed for the Pleasanton Land Project. As previously noted, the \$500,000 contained in the Water Department's 1994-95 budget includes \$183,000 for additional consulting and legal services for the Project. However, since this \$183,000 amount was included in the \$500,000 allocation for the Pleasanton Land Development Project in the Water Department's FY 1994-95 budget, it has already received approval by the Board of Supervisors. Nevertheless, as required by the previously approved supplemental appropriation ordinance, any future amendments to The Planning Collaborative, Inc. contract must be submitted to the Board of Supervisors for review and approval. As such, if a portion of the additional \$183,000 in funding for the Pleasanton Land Project is used to pay for additional services from The Planning Collaborative, Inc., the details of the amendment to that contract must be provided to the Board of Supervisors.

4. As part of the June 1994 management audit of the SFWD conducted by the Budget Analyst, a review of the management of the Pleasanton Land Project was conducted. The management audit recommended that the General Manager of the PUC establish a Pleasanton Lands Project Advisory Committee, with members including the Chief Administrative Officer, the General manager of the PUC, senior staff of the Controller's Office and the Planning Department, an experienced representative from one of the City agencies that does real estate development, such as the Port, and a representative from the Mayor's Office. The audit further recommended that this Advisory Committee provide quarterly project progress reports to the PUC and the Board of Supervisors, and bring all major policy choices to the PUC and the Board of Supervisors. Mr. Vasconcellos reports that the Advisory Committee has been established and includes nine members (See Attachment III). According to Mr. Vasconcellos, in his capacity as Project Manager, he has

submitted a progress report (Attachment II), as noted in Comment No. 3. However, the Committee has not yet met and therefore has not yet prepared its own quarterly project progress reports.

5. According to Mr. Vasconcellos, until the public review process, the preparation of the Draft EIR and the development agreement are further along in process, it will be unclear as to how the \$183,000 amount of the requested \$200,000 release will be allocated between the City Attorney's Office, The Planning Collaborative, Inc., and other consultants. However, Mr. Vasconcellos advises that the entire \$200,000 in reserved funds is needed at this time so that the funds are available when needed on a timely basis. Furthermore, Mr. Vasconcellos reports that the two conditions for the release of the requested \$200,000 have been satisfied, i.e., a Pleasanton Lands Project Advisory Committee has been established and Mr. Vasconcellos has submitted a progress report as to the disposition of the property to the Board of Supervisors.

6. As previously noted, the Water Department cannot at this time provide budget details for \$183,000 of the requested \$200,000 release of reserves (File 100-94-1.4) or the names of any additional consultants and their MBE/WBE status. In addition, since a portion of this \$183,000 may be used for additional consulting services from The Planning Collaborative, Inc., therefore requiring an amendment to The Planning Collaborative's contract, such an amendment must first be reviewed and approved by the Board of Supervisors, as required in the previously approved supplemental appropriation ordinance (File 101-93-34). As such, \$183,000 of the requested \$200,000 release of reserved funds should continue to be reserved, pending the submission of budget details for the \$183,000, the selection of additional consultants, the MBE/WBE status of those consultants, and the provision of the details of the future amendment, if one is necessary, to The Planning Collaborative, Inc. contract to the Board of Supervisors.

**Recommendation:** 1. Approve the release of \$17,000 for The Planning Collaborative, Inc. contract and continue to reserve \$183,000, pending the submission of budget details for the \$183,000, the selection of additional consultants, the MBE/WBE status of the consultants, and the provision of the details of any future amendment to The Planning Collaborative, Inc. contract to the Board of Supervisors. (File 100-94-1.4)

Memo to Budget Committee  
September 14, 1994

2. Approve the release of \$100,000 for development fees for the Alameda County Planning Department to process the Water Department's Pleasanton Land Development Project application (File 101-93-34.1).

**PROJECT COSTS****COSTS INCURRED AND PROJECTED THROUGH SEPTEMBER, 1994**

Consultant Fees.....	\$2,081,058
Staffing (0.4 FTE).....	52,000
City Attorney.....	100,000
	\$2,233,058

**COSTS PROJECTED OCTOBER, 1994 - MARCH, 1995**  
**(including \$500,000 in fiscal 1994-95 funding)**

Consultant Fees.....	\$250,000
Staffing (0.4 FTE).....	86,000
City Attorney.....	150,000
Development Fee.....	<u>200,000</u>
	<u>\$686,000</u>

TOTAL	<u>\$2,919,058</u>
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City and County of San Francisco

Public Utilities Commission  
San Francisco Water DepartmentMEMORANDUM

PLEASANTON LAND PROJECT

DATE: August 29, 1994

TO: John Mullane

FM: Bob Vasconcellos *R.V.*

RE: STATUS UPDATE ON BERNAL PROPERTY LAND  
ENTITLEMENT PROJECT

This is to provide you with a brief progress report summarizing 1) the status of the project schedule, 2) the status of the formation of the project management steering committee, 3) the progress report as to property disposition 4) the steps required to complete the entitlement phase and undertake project pre-development.

**STATUS OF PROJECT SCHEDULE**

A key milestone in the project was achieved with the completion of Administrative Drafts of the Development Master Plan, the Specific Plan, EIR and Technical Facilities Reports on January 31 as called for in the consultant contract. The administrative drafts have undergone comprehensive review by all parties which has caused delays in the work schedule.

Due to the extended review process for Administrative Draft products, it has been necessary to revise the Schedule for major project deliverables as set forth in Attachment B of the 4th Amendment to the Contract between The Planning Collaborative and the Public Utilities Commission (PUC Resolution #93-0316, 10/26/93). Although subject to further adjustment depending upon local agency scheduling constraints, the new schedule for further product deliverables listed in Attachment B has been revised as follows:

1. **Project Application and NOP.** The project application will be submitted on September 6, 1994. The preparation of the initial study and issuance of the Notice of Preparation (NOP) will be undertaken by Alameda County the week of September 19, 1994.
2. **Draft Specific Plan and Draft EIR.** The Draft Specific Plan and Draft Environmental Impact Report will be published thirty to sixty days after the issuance of the NOP and will incorporate comments received during the NOP review period.
3. **Final EIR Comments and Responses.** Begin response to comments approximately end of November. Complete Final EIR approximately end of December.



John Mullane  
August 29, 1994  
Page 2

4. **Development Agreement.** This will be drafted by the City Attorney's Office with input from the project consultants and will be negotiated with the local agency parallel to the plan adoption process. It is anticipated to be in draft form by mid October and will be completed with the adoption of the Specific Plan.
5. **Public Hearings for Specific Plan Approval and EIR Certification.** Public hearings could begin when the comment period for the NOP is completed. However, while no schedule for local approvals has been finalized, the approval process is expected to extend through the fall with final adoption in early 1995.

#### **FORMATION OF THE PROJECT MANAGEMENT STEERING COMMITTEE**

The Project Steering Committee is being formed and a tentative list of members is attached. The first meeting will occur in late September and the committee will address property disposition strategy and project status and progress.

#### **PROGRESS REPORT AS TO PROPERTY DISPOSITION**

Various alternatives to the disposition of the property include: 1) offering the entire property for sale upon entitlement; 2) undertaking a city-managed development process whereby basic infrastructure is installed by the City as master developer and parcels are offered for sale or lease to individual developer/builders, 3) negotiating a joint-venture arrangement with a master developer in which the City is co-development or land partner only. However, it is clear that various legal issues associated with disposition will require the participation of the City and County of San Francisco during the initial pre-development phase and thus, precludes the first option listed above of offering the land for sale immediately upon entitlement.

The financial analysis of several possible development disposition scenarios is to be undertaken with the participation of the Steering Committee.

#### **ENTITLEMENT AND PROJECT PRE-DEVELOPMENT PHASES**

The future activities to complete entitlement and carry the disposition programs through the pre-development phase are anticipated to include some or all of the following. The degree to which San Francisco provides all or some of the funding for these activities will depend upon the disposition strategy selected.



Consultant Tasks

- provide additional environmental investigations in response to potential legal challenges, development disposition requirements and unforeseen project development issues;
- prepare modifications to the Master Development Plan and Development Agreement in response to local jurisdiction conditions of approval;
- provide further engineering analysis of project-related traffic, flood control, water reclamation and water supply, and wastewater improvements;
- provide engineering design services for initial basic infrastructure improvements
- provide improvement plans for initial development phases.

City Attorney Tasks

- advise on legal issues associated with PUC options regarding disposition and development strategy;
- advise negotiators regarding Development Agreement provisions on assignment, transfer of development rights, and other real estate transactional issues;
- advise PUC on availability of financing mechanisms for capital improvements e.g., Melillo Ross Improvement District, Urban Service District financing, Landscaping and Lighting Improvement Districts;
- advise PUC on City Charter and Code requirements applicable to property disposition and development strategy;
- advise PUC on water rights, wastewater storage and water supply agreements.

RV:dec

cc: Chron File  
Subject File  
Landupdate.1 File

**STEERING COMMITTEE  
PLEASANTON LAND PROJECT**

**STEERING COMMITTEE MEMBERS**

- |  |   |
|--|---|
| 1. Andy Moran, General Manager<br>Public Utilities Commission<br>City Hall, Room 287<br>San Francisco, CA 94102<br>Phone: (415) 554-7316<br>FAX #: (415) 554-7470                        | 6. John Mullane, General Manager<br>San Francisco Water Department<br>425 Mason Street, 4th Floor<br>San Francisco, CA 94102<br>Phone: (415) 923-2467<br>Fax #: (415) 771-4421  |
| 2. Rudy Nothenberg, Chief Administrative Officer<br>CAO's Office<br>City Hall, Room 289<br>San Francisco, CA 94102<br>Phone: (415) 554-4852<br>Fax #: (425) 554-4047                     | 7. Lou Blazej, Director, Planning Department<br>Planning Department<br>1660 Mission Street, 5th Floor<br>San Francisco, CA 94103<br>Phone: (415) 558-6411<br>Fax #: (415) 558-6409  |
| 3. Ed Harrington, Controller<br>Controller/Administration Office<br>City Hall, Room 109<br>San Francisco, CA 94102<br>Phone: (415) 554-7500<br>Fax #: (415) 554-7466                     | 8. Noreen Ambrose, Deputy City Attorney<br>City Attorney's Office<br>1390 Market Street, 6th Floor, Fox Plaza<br>San Francisco, CA 94102<br>Phone: (415) 554-3908<br>Fax #: (415) 554-3808  |
| 4. Jim Lazarus, Director of Special Projects<br>San Francisco Port Commission<br>Ferry Building, Suite 3100<br>San Francisco, CA 94111<br>Phone: (415) 274-0416<br>FAX #: (415) 274-0528 | 9. Lawrence Ritter, Principal Real Property Officer<br>(Tony DeLucchi, Director of Real Estate)<br>Real Estate Department<br>25 Van Ness Avenue, Suite 400<br>San Francisco, CA 94102<br>Phone: (415) 554-9874<br>Fax #: (415) 554-9216 |
| 5. Ted Dienstfrey<br>Director, Mayor's Office of Housing<br>10 United Nations Plaza, Suite 600<br>San Francisco, CA 94102  |   |

**PROJECT MANAGER**

Bob Vasconcellos  
San Francisco Water Department  
425 Mason Street, 2nd Floor  
San Francisco, CA 94102  
Phone: (415) 923-2444  
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Item 7 - File 101-91-71.2

**Department:** Department of Public Health (DPH)

**Item:** Release of reserved funds in the amount of \$16,995, for the Hospital Communications Project.

**Amount:** \$16,995

**Source of Funds:** Emergency Medical Services Fund from State revenues as authorized by SB 12

**Description:** The Board of Supervisors previously approved a supplemental appropriation in the amount of \$943,616 (File 101-91-71) from the Emergency Medical Services (EMS) Fund which included \$280,000 for the Hospital Communications Project. This project involves the installation of a computerized emergency communications system that links all 19 emergency medical facilities within the City. The \$280,000 budgeted for the Hospital Communications Project was reserved pending EIPSC approval, the MBE/WBE status of the contractors and finalized cost details. The Budget Committee subsequently released \$263,005 of the \$280,000, for projected contract expenditures, and continued to reserve \$16,995 (File 101-91-71.1) because DPH had not submitted a justification for the expenditure of these remaining funds.

The DPH is now requesting that the \$16,995 be released from reserve. According to Ms. Jacki Berlinberg, EMS Hospital Coordinator, due to the complexity of the Hospital Communication Project, the \$16,995 is needed for contingency purposes and the \$16,995 for contingencies is reflected in the project contract. Ms. Berlinberg advises that unanticipated contract expenditures which have been identified thus far are as follows:

Video/Computer Interface Equipment for Training Video	\$550
Radio Equipment for One Additional Location:	
Radio, Modems and Installation	4,030
Radio Antenna	170
FCC License	300
Speakers and Sound Package Installation at all 19 emergency medical facilities	<u>1,800</u>
Total	\$6,850

Ms. Berlinberg states that the DPH anticipates full expenditure of the \$16,995 for as-needed expenses for costs associated with training, software modifications and

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Budget Committee  
September 14, 1994 Budget Committee Meeting

unanticipated equipment purchases. Ms. Berlinberg notes that pursuant to Section 10.117-73 of the Administrative Code, any unexpended balance in the Hospital Communications Project budget must be returned to the Emergency Medical Services Fund and carried forward for redistribution in the next payment cycle to participating EMS Hospitals.

**Comments:**

1. Ms. Debra Vincent-James, EIPSC Staff Director reports that EIPSC has given its approval for the expenditure of the \$16,995 for unanticipated contract expenditures.

2. Since the DPH can only identify \$6,850 in unanticipated expenditures at this time, the Budget Analyst recommends that \$6,850 of the \$16,995 be released from reserve and the remaining balance of \$10,145 continue to be reserved pending the identification of specific cost details incurred for the Hospital Communications Project.

3. Ms. Abby Yant of the DPH advises that the Department plans to provide cost details for the additional expenditures of \$10,145 and requests that this item be continued to the Budget Committee meeting on September 21, 1994, when such details will be available.

**Recommendation:** Continue this item to the Budget Committee meeting on September 21, 1994 as requested by the DPH.

Item 8 - File 124-94-10

**Department:** Police Department

**Item:** Resolution approving a fee of \$150, as proposed by the Chief of Police, to reimburse the Police Department for the removal of vehicles impounded as part of an enforcement program (Traffic Offender Program) funded by a grant from the Office of Traffic Safety, as specified in Traffic Code Section 170.2A.

**Description:** In July of 1994, the Board of Supervisors approved an ordinance to amend the San Francisco Traffic Code by adding Sections 170.2-A and 170.2-B, which requires the payment of an administrative fee to the Police Department by vehicle owners for the towing and impoundment of vehicles that are removed under the following circumstances, in accordance with California Vehicle Code Sections 22651 (h) and (p), 22655.5 and 22850.5.

- The driver is arrested and taken into custody; or
- The person is driving with a suspended or revoked driver's license; or
- Probable cause exists to believe that the motor vehicle was used to commit a public offense or is evidence in a crime.

Section 170.2-A of the Traffic Code authorizes the Chief of Police to impose an administrative fee on the owner of a vehicle which is towed under the foregoing circumstances. The Police Department reports that it has reviewed the actual costs to the Police Department of such tows and has determined that these costs are approximately \$150 per vehicle towed. The Attachment is a schedule prepared by the Police Department to support this \$150 cost estimate. According to the Police Department, approximately 2,000 vehicles are towed annually under the circumstances described above. Thus the proposed \$150 administrative fee would produce estimated annual revenues to the City of approximately \$300,000.

Pursuant to Traffic Code Section 170.2-B, the revenues from the proposed administrative fee would be deposited in the Traffic Offender Fund and could only be expended on the Traffic Offender Program. Expenditures of the Traffic Offender Program would include the purchase of equipment, contractual services, materials and supplies, other technologies necessary for the prosecution of persons violating the California Vehicle Code, and personnel costs, including the



salaries and fringe benefits for a Deputy District Attorney and a part-time law clerk exclusively devoted to the Program. The purpose of the Traffic Offender Program is to enhance enforcement of the California Vehicle Code by educating Police Officers on the provisions of the Vehicle Code so that they can more easily charge drivers with the appropriate offenses, thereby facilitating the prosecution by the District Attorney's Office of persons with suspended or revoked driving privileges, unlicensed drivers, and persons driving under the influence of alcohol or drugs. According to Officer Michael Lujan of the Police Department, in addition to the proposed \$150 administrative fee, the Traffic Offender Program will generate revenues to the City in the form of additional fines, such as fines for driving with a suspended or revoked driving license and for traffic violations, resulting from the increased number of cases prosecuted by the District Attorney. Officer Lujan advises that the amount of such additional annual fine revenues cannot be estimated at this time.

The Police Department has applied for a grant in the amount of \$331,994 from the California Office of Traffic Safety which is expected to cover a portion of the costs of the Traffic Offender Program from October 1, 1994 through December 31, 1996 (27 months at about \$12,296 per month). Beginning on January 1, 1997, the Traffic Offender Program will be funded by the Traffic Offender Fund. Section 170.2-B of the Traffic Code provides that all expenditures made from this Fund will be subject to appropriation approval by the Board of Supervisors in the Police Department's annual budget. Section 170.2-B further provides that the balance of the Traffic Offender Fund at the end of any fiscal year will be carried forward and accumulated for the next fiscal year's Program.

According to Officer David Ambrose of the Police Department, the Traffic Offender Program is estimated to cost approximately \$300,000 per year. However, as of the writing of this report, the Police Department had not provided a complete, detailed budget for the Traffic Offender Program (See Comment No. 2).

**Comments:**

1. Owners of vehicles towed for any reason, including illegal parking or driving with a revoked or suspended driver's license, are required to pay \$120 in order to retrieve their vehicles at the City Tow facility, located at 1475 Mission Street. Of this \$120 per vehicle fee, City Tow pays \$45 to the City's General Fund, which includes \$30 for the administrative costs of the Department of Parking and Traffic (DPT) and a \$15 towed vehicle fee, which accrues to the General Fund. City Tow retains the remaining \$75.



The proposed administrative fee of \$150 per vehicle, which would be deposited in the Traffic Offender Fund, would be in addition to the \$120 towing fee currently charged for the retrieval of one's vehicle, but would only be charged if the driver was arrested, the person was driving with a revoked or suspended driver's license, or the vehicle is evidence in a crime, in accordance with the California Vehicle Code. Thus, a person whose vehicle was towed because he or she was arrested, was driving with a revoked or suspended driver's license or was driving a vehicle which is evidence in a crime, would pay \$270 (\$120 as the base towing fee plus the \$150 Traffic Offender Program fee). The \$270 in towing fees would be allocated as follows:

	Base Towing Fee	Proposed Administrative Towing Fee	Total
City Tow	\$75	\$0	\$75
DPT Administration	30	0	30
General Fund	15	0	15
Traffic Offender Fund	<u>0</u>	<u>150</u>	<u>150</u>
Total	\$120	\$150	\$270

2. Although the proposed \$150 administrative fee would be a source of funding for the Traffic Offender Program, the Police Department is also receiving a \$331,994 grant for approximately 27 months from the California Office of Traffic Safety to cover the Program's expenses from October 1, 1994 through December 31, 1996. As of the writing of this report, the Police Department had not provided a complete schedule of expenses for the Traffic Offender Program. Therefore, the need for a new \$150 administrative fee for purposes of generating an additional estimated \$300,000 in annual revenues (in addition to grant fund revenues of \$147,552 annually (\$331,994 divided by 27 months times 12 months) to support the Traffic Offender Program has not been justified. As such, the proposed resolution should be continued to the call of the Chair, pending the submission of a complete budget for the Traffic Offender Program and a justification as to why the proposed administrative fee should be imposed at an amount of \$150 per vehicle towed.

**Recommendation:** Continue the proposed resolution to the call of the Chair, pending the submission of a complete budget for the Traffic Offender Program and a justification as to why a proposed

Memo to Budget Committee  
September 14, 1994

administrative fee in the amount of \$150 per vehicle towed should be imposed, particularly during the 27-month period of the pending State grant in the amount of \$331,994.

Per 22850.5 CVC, the following are costs relating to the removal, impound, storage, or release of the vehicles.

Officer wages at \$26.00 hr. for 5 1/4hrs.	\$136.00
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for Traffic Stop and or arrest, Standby for tow trucks, Report writing, Total data entry into computers and tracking, Issuing Administrative Fee Receipts, SFPD issued tow releases. Project and Assistant Project Manager tracking tows and dealing with Tow Companys and claims, and costs of tow approval and other police duties.

SFPD radlo dispatchers 1/4 hour	\$5.00
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DP&T Tow notification and filing 1/2 hr.	\$9.00
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Total Reimbursement	\$150.00
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Item 9 - File 124-94-5

**Note:** This item was transferred from the Housing and Land Use Committee at its meeting of September 1, 1994 due to Fiscal Impact.

**Department:** Department of Parking and Traffic (DPT)

**Item:** Ordinance amending San Francisco Traffic Code by amending Sections 203.2, 203.3 and 203.4 to provide that parking meters within Parking Meter Area Numbers 2, 3 and 4 will be operated by nickels, dimes and quarters, instead of only quarters.

**Description:** San Francisco is divided into four parking areas, which contain 21,281 parking meters. There are also approximately 2,500 spare parking meters that have not yet been installed or are out of service, and therefore are not currently on the City's streets. Therefore, the City has a total of approximately 23,781 parking meters.<sup>1</sup>

Parking Area Number 1, which primarily includes the financial district, Chinatown and South of Market, contains 3,061 parking meters, plus there are 776 motorcycle parking meters in the City, all 3,837 of which currently accept quarters, dimes and nickels (See Comment No. 1). The other three parking areas (Parking Area Numbers 2, 3 and 4) contain 17,444 parking meters, all of which previously accepted quarters, dimes and nickels, but which were converted to accept only quarters in 1992. In addition, the approximately 2,500 uninstalled or out of service parking meters also accept quarters only. Thus, a total of approximately 19,944 parking meters in the City only accept quarters. All 23,781 of the City's parking meters permit a maximum time to park, which is either 30 minutes, one hour or two hours, depending on the maximum time displayed on the meter.

In Parking Area Number 2, which primarily consists of the Civic Center area and the upper financial district, there are 4,123 quarter-only parking meters, which permit up to either 30 minutes, one hour or two hours of parking. Persons are required to deposit one quarter for each 15-minute increment of parking, for up to the maximum time permitted by the meter. The following are the current parking rates in Parking Area Number 2:

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<sup>1</sup> The numbers throughout this report are approximate, as the number of parking meters on City streets and out of service fluctuates monthly.

Number of Minutes of Parking Desired	<u>Deposit Required</u>		
	30-Minute Meters	One Hour Meters	Two Hour Meters
15	\$0.25	\$0.25	\$0.25
30	0.50	0.50	0.50
45	X	0.75	0.75
60	X	1.00	1.00
75	X	X	1.25
90	X	X	1.50
105	X	X	1.75
120	X	X	2.00

X = Not Applicable

The proposed ordinance would allow persons to deposit nickels, each of which would permit three minutes of parking, dimes, each of which would allow six minutes of parking, or quarters, each of which would continue to permit 15 minutes of parking, for up to the maximum time permitted by the parking meter (30, 60 or 120 minutes), in parking meters located in Parking Area Number 2.

In Parking Area Number 3, which includes the neighborhood commercial districts in the Richmond, Mission, Sunset, Marina, Haight-Ashbury, North Beach, Pacific Heights and Potrero districts, there are currently 12,877 quarter-only parking meters, which permit up to either one hour or two hours of parking. Persons are required to deposit one quarter for each 30-minute increment of parking, for up to the maximum time permitted by the meter. The following are the current parking rates in Parking Area Number 3:

Number of Minutes of Parking Desired	<u>Deposit Required</u>	
	One Hour Meters	Two Hour Meters
30	\$0.25	\$0.25
60	0.50	0.50
90	X	0.75
120	X	1.00

The proposed ordinance would allow persons to deposit nickels, each of which would allow six minutes of parking, dimes, each of which would permit 12 minutes of parking, or quarters, each of which would continue to allow 30 minutes of parking, for up to the maximum time permitted by the parking meter (one or two hours), in parking meters located in Parking Area Number 3.

Parking Area Number 4, located in the Fisherman's Wharf area, currently contains 444 quarter-only parking meters, which permit up to either one hour or two hours of parking. Persons are required to deposit one quarter for each 15-



minute increment of parking, for up to the maximum time permitted by the meter. The following are the current parking rates in Parking Area Number 4:

<u>Number of Minutes of Parking Desired</u>	<u>Deposit Required</u>	
	<u>One Hour Meters</u>	<u>Two Hour Meters</u>
15	\$0.25	\$0.25
30	0.50	0.50
45	0.75	0.75
60	1.00	1.00
75	X	1.25
90	X	1.50
105	X	1.75
120	X	2.00

The proposed ordinance would allow persons to deposit nickels, each of which would permit three minutes of parking, dimes, each of which would allow six minutes of parking, or quarters, each of which would continue to permit 15 minutes of parking, for up to the maximum time permitted by the parking meter (one or two hours), in parking meters located in Parking Area Number 4.

The Department of Parking and Traffic (DPT) advises that the estimated cost to convert the 19,944 parking meters that currently accept quarters only to accept nickels and dimes as well would be approximately \$719,722, as reflected below:

#### **Personnel:**

Temporary Salaries \$147,172  
Six temporary employees would be hired either to take over the existing staff's duties during the process of conversion or to convert the parking meters themselves.

Overtime 81,814  
The parking meter conversion would require approximately 1,900 hours of overtime.

#### **Materials and Supplies:**

Basic Kits 294,600  
Basic kits consist of (1) the parking meters' inner components, which would need to be replaced for the meters to accept quarters, dimes and nickels; (2) coin slots that accept quarters, dimes and nickels; and (3) rate plates, which display the parking time permitted with

the deposit of quarters, dimes or nickels. DPT reports that 20,000 basic kits would be purchased at \$14.73 each.

Coin Carriers

\$72,016

The coin carriers, which are the inner components of parking meters that advance the coins, would need to be replaced on approximately 2,800 parking meters since they are currently damaged and will not function properly once the meters are converted. Each coin carrier costs \$25.72.

Timers

124,120

The timers on 4,000 parking meters are currently worn and need to be replaced so that they function properly when the meters are converted to accept quarters, dimes and nickels. Each timer costs \$31.03.

Total

\$719,722

DPT advises that it would submit a supplemental appropriation request in the amount of approximately \$719,722 in General Fund money to the Mayor upon approval of the proposed ordinance.

According to DPT, there will be some indirect costs resulting from the proposed conversion of parking meters to accept quarters, dimes and nickels. One such cost would be a loss in parking meter revenues during the process of conversion, estimated at approximately \$10,000, since parking meters would be out of service while being converted. In addition, the conversion of parking meters to accept quarters, dimes and nickels would increase annual collection and maintenance costs by at least \$120,000. Finally, DPT advises that during the conversion program, parking citation revenues may decline if recipients of parking citations protest citations because they received them while a parking meter was being converted.

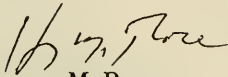
**Comments:**

1. As previously noted, Parking Area Number 1, which primarily includes the financial district, Chinatown and South of Market, has 3,061 parking meters that presently accept nickels, dimes and quarters. There are also 776 motorcycle parking meters in the City, all of which accept quarters, dimes and nickels. Therefore, these 3,837 parking meters do not need to be converted as a result of the proposed ordinance.

2. According to Mr. Ben Beckman of DPT, cities such as Oakland and Seattle are in the process of converting their parking meters back to accepting multiple coins, but only to accept nickels and quarters and not dimes. This is because past experience has shown excessive problems with the dime slot.
3. This item was originally heard at the September 1, 1994 Housing and Land Use Committee meeting, but was transferred to the Budget Committee due to fiscal impact. In addition, at the September 1, 1994 Housing and Land Use Committee meeting, an Amendment of the Whole was introduced by the City Attorney's Office to correct some technical inaccuracies.
4. This item was further amended during the meeting by adding a provision which would allow DPT to convert the City's parking meters over the course of a year, versus six months as DPT originally intended. DPT expects to begin conversion of the City's parking meters by November of 1994.
5. Regarding the estimated costs to convert the parking meters, Mr. John Newlin, Executive Director of DPT has submitted the attached memo.
6. In order to fund the proposed conversion of parking meters, a supplemental appropriation ordinance must be submitted for approval by the Board of Supervisors. The Budget Analyst will further review the details of any costs contained in that legislation when it is submitted to the Board.

Memo to Budget Committee  
September 14, 1994

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

  
Harvey M. Rose

cc: Supervisor Hsieh  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Migden  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey



DEPARTMENT OF PARKING &amp; TRAFFIC

25 VAN NESS AVENUE, SUITE 410  
CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA 94102  
554-PARKFRANK M. JORDAN, MAYOR  
JOHN E. NEWLIN, EXECUTIVE DIRECTORMEMORANDUM

TO: Harvey Rose  
Budget Analyst  
Board of Supervisors

FROM: John E. Newlin *John E. Newlin*  
Executive Director

DATE: September 9, 1994

SUBJECT: Various Cost Related Issues on Proposed  
Conversion Back to Multi-coin Parking Meters

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Summarized below are our responses to the various questions you posed to me yesterday on the above referenced subject.

JEN:BY:wtc

# Various Cost Related Issues on Proposed Conversion Back to Multi-Coin Parking Meters Page 1 of 3 ---

## 1. WHY CAN'T THE RETROFIT BE DONE "IN HOUSE", DURING REGULAR HOURS, AS PART OF THE ONGOING MAINTENANCE PROGRAM?

- A) New York, Los Angeles, Boston, Seattle and Oakland, without exception, request overtime for all large projects similar to this one. They agree that the loss of available parking and loss of revenue caused by diverting repair personnel from their regular duties would outweigh the salary savings realized by using "in-house" straight time labor.

In San Francisco:

- 1) Legal parking spaces will accommodate 2,300 fewer vehicles per day due to non-working meters.
  - 2) Parking meter revenue will drop by \$2,436.32 per day due to non-working meters and delayed installation of new meters. This loss will be \$504,318 for the 8-month duration of the project.
- 
- B) The Parking Meter Division is currently 2.13 FTE positions short.
  - C) The Division has two people on long-term modified duty assignments.
  - D) The Department is already engaged in the following long-term special projects on an "in-house" straight time basis. We could not even begin this re-conversion program until a couple of these are completed.
    - a) Mechanism Accuracy Program (1 year)
    - b) Coin Can Theft Checking Program (Ongoing)
    - c) Broken Meter Flag Decal Program (2 years)
    - d) Parking Meter Post Sleeving Program (5 years +)
    - e) Meter Security Improvement Program  
(new locks on over 17,000 meters, 2 years to complete.)



Various Cost Related Issues on Proposed  
Conversion Back to Multi-Coin Parking Meters  
Page 2 of 3

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1. E) Doing the retrofit as part of regular maintenance is not practical. A cart carrying retrofit supplies and equipment must be wheeled around by a repair person. This will slow him down on his routine maintenance work where he normally walks from meter to meter. Retrofitting only those meters needing repair will leave block faces with a combination of quarters-only and multi-coin meters for long and unpredictable periods of time, resulting in public frustration.

2. WHY 20,000 KITS ARE NEEDED INSTEAD OF 17,500 AS IN THE BUDGET ANALYST'S REPORT?

The Budget Analyst's Report, page 1, paragraphs two and three, clearly states that, including spare meters that are temporarily out of service or awaiting installation, the City has approximately 23,781 meters. The same section states that 3,837 of these currently accept nickels, dimes and quarters, leaving approximately 19,944 meters which currently accept quarters only.

3. THE INDICATED COST OF THE KITS IS \$14.73 EACH. IS THIS THE BEST PRICE?

Yes. The price that was given was the best.

4. WHY ARE 2,800 COIN CARRIERS NEEDED? SHOULDN'T THEY BE REPLACED AS PART OF ONGOING MAINTENANCE?

We estimate that in order to obtain accurate adjustments, approximately 2 out of 14 coin carriers need replacement due to uneven wear. These would not need replacement in quarters-only meters, which only need to be adjusted for a single coin. However, if we return to multi-coin meters, we will not be able to obtain the proper adjustment for the three different coins the motorists will be using.

If these worn carriers are not replaced, the result will be that citizen complaints and ticket protests due to inaccurate meters will increase and Parking Meter Repairers will have to spend excessive time to research these protests and repair these meters.

## Various Cost Related Issues on Proposed Conversion Back to Multi-Coin Parking Meters

Page 3 of 3

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### 5. WHY DO WE NEED TO REPLACE 4,000 TIMERS?

Based on repair reports, we estimate that during the re-conversion program, we will find approximately 4,000 meters with marginal timers that should be replaced. The most efficient time to replace these timers would be during the re-conversion program. If not replaced during this program, we would have to neglect the repair of jammed meters in order to re-open the 4,000 meters and make the replacements at a later date.

We conclude that it would be most cost effective to replace these timers during the re-conversion program.

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9/20/94

11/1 CALENDAR --- ACTION TAKEN  
11/1 SPECIAL BUDGET COMMITTEE  
11/1 BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

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AUG 27 1996  
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TUESDAY, SEPTEMBER 20, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 170-94-17. [General Obligation Bonds Definitive Interest Rates] Resolution awarding bonds and fixing definitive interest rates for \$3,455,000 General Obligation Bonds (Public Safety Improvement Projects, 1989), Series 1994A; \$18,100,000 General Obligation Bonds (Public Safety Improvement Projects, 1990), Series 1994B; \$30,650,000 General Obligation Bonds (School District Facilities Improvements, 1994), Series 1994C; and \$10,105,000 General Obligation Bonds (Fire Department Facilities Project, 1992), Series 1994D. (Chief Administrative Officer)
- ACTION: Amendment of the Whole awarding bid to Prudential Securities, and changing legislation from resolution to motion (pursuant to Charter Section 2.300) adopted. Same title.



SF  
S 90.07  
#2  
9/21/94

MINUTE BOOK --- ACTION TAKEN  
BUDGET COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT

AUG 27 1996

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WEDNESDAY, SEPTEMBER 21, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 27-94-3. [Airport Departure Tax, International Flights] Hearing to consider the feasibility of establishing a departure tax on all international flights leaving from and arriving at San Francisco International Airport and the potential revenues such a tax could raise. (Supervisors Alioto, Kennedy)  
(Continued from 7/6/94)

ACTION: Consideration continued to call of the chair.

2. File 93-94-28. [MOU, 8302 Deputy Sheriff I] Resolution ratifying Memorandum of Understanding between the Deputy Sheriff's Association 39 and the City and County of San Francisco; companion measure to File 93-94-28.1. (Supervisors Alioto, Bierman)

ACTION: RECOMMENDED. (Supervisors Alioto, Bierman added as sponsors)

3. File 93-94-28.1 [MOU, 8302 Deputy Sheriff I] Ordinance setting the salary, benefits and working conditions for the new unrepresented Classification 8302 Deputy Sheriff I; companion measure to File 93-94-28. (Supervisors Alioto, Bierman)

ACTION: RECOMMENDED. (Supervisors Alioto, Bierman added as sponsors)

4. File 101-92-10.5. [Release Reserved Funds, Library] Hearing requesting release of reserved funds, Public Library, in the amount of \$150,000, to replace the heating system in the Mission Branch Library. (Public Library) (Continued from 8/24/94)

ACTION: Release of reserved funds in the amount of \$150,000 approved. FILED.

5. File 101-94-15. [Appropriation, Public Library] Ordinance appropriating \$2,100,000 from 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency for new main library, branch library improvement - Chinatown renovations) for the Public Library for fiscal year 1994-95. (Supervisor Hsieh, Alioto, Bierman)

ACTION: Consideration continued to October 5, for a closed session. (Supervisors Alioto, Bierman added as sponsors).





6. File 101-94-13. [Appropriation, DPW, \$3,835,000] Ordinance appropriating \$3,835,000, Department of Public Works of Special Gas and Road Funds, to finance capital improvement projects (Chinatown Alleyway and Lighting Improvements), for fiscal year 1994-95. RO #94058. (Supervisor Hsieh, Alioto, Bierman)

ACTION: Amendment of the Whole reflecting Budget Analyst recommendations adopted. New title: "Ordinance appropriating \$3,835,000, Department of Public Works of Special Gas and Road Funds, to finance capital improvement projects (Chinatown Alleyway and Lighting Improvements), for fiscal year 1994-95; placing \$3,000,000 on reserve." RECOMMENDED AS AMENDED. (Supervisors Alioto, Bierman added as cosponsors)

7. File 79-92-3.9. [Reserved Funds, Community Dev. Block Grant] Hearing requesting release of reserved funds, Mayor's Office of Community Development, 1993 Community Development Block Grant Program, in the amount of \$15,000 in 1993 Lead Hazard Reduction Program Pool, to pay for the necessary improvements to reduce lead poisoning at Chinatown Community Children Center. (Mayor's Office of Community Development).

ACTION: Release of reserved funds in the amount of \$15,000 approved. FILED.

8. File 101-93-118.1 [Superior & Municipal Courts] Hearing requesting release of reserved funds, Superior and Municipal Courts, in the amount of \$2,109,323, to fund the excavation, shoring and underpinning contract and the related hazardous materials abatement for the Courthouse construction. (Superior and Municipal Courts).

ACTION: Release of reserved funds in the amount of \$2,109,323 approved. FILED.

9. File 101-94-12. [Appropriation, Water Department] Ordinance appropriating \$142,011, Water Department, from Water Department Operating Fund Balance, to capital improvement project (Bay Division Pipeline) for fiscal year 1994-95. RO #94049 (Supervisor Alioto) (Continued from 9/14/94)

ACTION: Amendment of the Whole reflecting Budget Analyst recommendations adopted. New title: "Ordinance appropriating \$142,011, Water Department, from Water Department Operating Fund Balance, to capital improvement project (Bay Division Pipeline) for fiscal year 1994-95; placing \$142,011 on reserve." RECOMMENDED AS AMENDED.

10. File 101-91-71.2. [Release Reserved Funds, DPH] Hearing requesting release of reserved funds, Department of Public Health, in the amount of \$16,995, for the as needed expenses for items such as training, software modification, and unanticipated equipment that may be identified in the course of the Hospital Communication Project. (Department of Public Health) (Continued from 9/14/94)

ACTION: Release of reserved funds in the amount of \$16,995 approved. FILED.



CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

September 19, 1994

**TO:** Budget Committee

**FROM:** Budget Analyst

**SUBJECT:** September 21, 1994 Budget Committee Meeting

Item 1 - File 27-94-3

**Note:** This item was continued by the Budget Committee at its meeting of July 6, 1994.

This item is a hearing to consider the feasibility of establishing a departure tax on all international flights leaving from and arriving at San Francisco International Airport (SFO) and the potential revenues such a tax could raise.

The following is a summary of the potential revenues from instituting an Airport Departure Tax and Federal restrictions on the use of these revenues.

An Airport Departure Tax, also known as a Passenger Facility Charge (PFC) may be charged (\$1 to \$3 per passenger) on domestic and international departures provided under the Federal Aviation Safety and Capacity Expansion Act of 1990. The Airport has previously reported to the Budget Analyst that the PFC cannot be assessed on non-revenue passengers including airline employees and their families and those passengers using frequent flier tickets.

The Federal legislation requires that any revenues generated through a PFC must be used specifically to enhance the capacity, safety, or security of the air transportation system, promote competition, reduce noise or expand passenger facilities. In addition, airports must also meet Federal noise standards, which are less stringent than those noise standards currently imposed for SFO. This Federal legislation also requires airports to apply to the Secretary of Transportation to impose a PFC. A PFC may only be imposed if the Secretary of Transportation makes affirmative findings that the amount and duration of the

proposed PFC would be necessary to fund specific PFC eligible projects. Also according to Federal legislation, none of the revenues generated from a PFC may return to the City's General Fund, but rather these revenues must be used specifically for the types of capital improvement projects which are outlined above.

According to Mr. John Martin of the Airport, although there are also restrictions on the transfer of revenues to the General Fund under the Airport's existing landing fee agreement, Mr. Martin advises that Federal law requires PFC revenues to be used for specific types of Airport capital improvement projects only and, therefore, the revenues from such PFC charges cannot be transferred to the City's General Fund.

Mr. Martin reports that approximately 16 million passenger departures, including non-revenue passenger departures, occur annually from SFO. However, Mr. Martin was unable to specify the annual number of non-revenue passenger departures from SFO. Therefore, the total annual revenues generated for the Airport would be somewhat less than the range of \$16 million to \$48 million, depending on the charge per passenger which would be assessed (\$1 to \$3 per passenger) and depending on the number of non-revenue passengers.



Items 2 and 3 - Files 93-94-28 and 93-94-28.1

**Items:** **File 93-94-28** - Resolution ratifying Memorandum of Understanding between the Deputy Sheriff's Association and the City and County of San Francisco.

**File 93-94-28.1** - Ordinance setting the salary, benefits and working conditions for the new unrepresented classification, 8302 Deputy Sheriff I, a miscellaneous position.

**Description:** In the Zero-Based Budget Analysis completed by the Budget Analyst in May of 1994, the Budget Analyst recommended the establishment of a civilian Sheriff's Technician classification to perform the administrative and clerical duties and not correctional duties in the Sheriff's Department. Such a position would not require a sworn officer. However, the Sheriff requested the establishment of a miscellaneous Sheriff's Recruit classification, which would be paid at lower wages and benefits than the existing uniform 8304 Deputy Sheriff classification but which would be automatically promoted to the uniform 8304 Deputy Sheriff position after 18 months of service. While the Budget Analyst recommended the creation of a Sheriff's Technician classification that would perform administrative and clerical duties, this recommended position classification would not perform correctional officer duties. Further, the Budget Analyst did not recommend that the civilian position be automatically promoted to the uniform 8304 Deputy Sheriff position after 18 months of service.

Therefore, the activities of the new Sheriff's Recruits do not conform to the previous Zero Based Budget recommendations of the Budget Analyst. However, the creation of either the civilian Sheriff's Recruit classification as recommended by the Sheriff or the civilian Technician classification as recommended by the Budget Analyst would result in both salary and fringe benefit savings. The Sheriff's Department FY 1994-95 budget includes 78 new positions under the miscellaneous AA92 Sheriff's Recruit classification.

The Employee Relations Division recently reached agreement with the Deputy Sheriff's Association regarding the transfer of certain duties and responsibilities from the existing 8304 Deputy Sheriff position to the new classification of 8302 Deputy Sheriff I, which is the Civil Service classification for the miscellaneous AA92 Sheriff's Recruit classification in the Sheriff's Department FY 1994-95 budget. In order for this agreement to become legally enforceable and binding, it is

necessary for the Board of Supervisors to ratify the proposed Memorandum of Understanding (File 93-94-28).

The proposed ordinance (File 93-94-28.1) sets the salary, benefits and working conditions for the new miscellaneous 8302 Deputy Sheriff I classification.

The Deputy Sheriff's Association currently represents City uniform employees in the following classifications:

8304 Deputy Sheriff  
8306 Senior Deputy Sheriff  
8308 Sheriff's Sergeant  
8310 Sheriff's Lieutenant  
8312 Sheriff's Captain  
8314 Chief Deputy Sheriff

The main provisions of the MOU between the City and the Deputy Sheriff's Association are as follows:

- The miscellaneous 8302 Deputy Sheriff I classification would be the trainee class for the uniform 8304 Deputy Sheriff classification;
- The Deputy Sheriff's Association and the City would agree to propose and support the creation of a new Civil Service Commission Rule governing the miscellaneous 8302 classification and promotability to the uniform 8304 classification;
- The City and the Deputy Sheriff's Association would agree to support the Mayor's proposal regarding the wages, hours and other terms and conditions of employment for the new 8302 classification;
- Upon approval of the Mayor's proposal by the Board of Supervisors and the implementation of the new Civil Service Rule, the 8302 classification would be represented by the Deputy Sheriff's Association;
- The 8302 Deputy Sheriff I classification would be used as the trainee class for the 8304 Deputy Sheriff until December 31, 1999. If, prior to this date, neither the Deputy Sheriff's Association nor the City proposed to reopen the discussion regarding changes to the MOU, the MOU would be extended for an additional five years, or until December 31, 2004.

The primary provisions of the previously mentioned new Civil Service Commission rule are (1) Appointees in miscellaneous Class 8302 Deputy Sheriff I would serve an 18-month probationary period; (2) Upon successful completion of the probationary period, an appointee in Class 8302 Deputy Sheriff I would be promoted to the uniform Class 8304 Deputy Sheriff; (3) All appointees in Class 8302 Deputy Sheriff I would be laid off before the layoff of any appointees in Class 8304 Deputy Sheriff; and (4) Appointees promoted from Class 8302 Deputy Sheriff I would not be eligible to reinstate or reoccupy positions in the miscellaneous 8302 Deputy Sheriff I classification.

The Attachment, as provided by the Civil Service Commission, is a description of the characteristics of the new 8302 Deputy Sheriff I classification.

Pursuant to San Francisco Charter Section 8.409-1, the Mayor, with the approval of the Board of Supervisors and consistent with the Civil Service Commission's rules and procedures, may set the wages, hours, benefits and other terms and conditions of employment for unrepresented employees. The major provisions of the Mayor's proposal, which are the subject of the proposed ordinance (File 93-94-28.1), are as follows:

#### Wages

All appointments to classification 8302 Deputy Sheriff I would be compensated at the biweekly rate of \$1,190 for the entire term of their appointments, or approximately \$31,059 per year. After July 1, 1995, if the 8304 Deputy Sheriff classification were granted a salary increase due to a judicial or administrative decision, the salary of the 8302 Deputy Sheriff I classification would be increased by the same percentage.

#### Additional Pay

Qualified appointees would be paid the following additional pay:

- Night Differential - 6.25 percent above the hourly base rate for each hour of work performed between the hours of 5:00 p.m. and 7:00 a.m.
- Overtime - 1.5 times the base hourly rate for each hour of work performed after eight hours per day or 40 hours per week.

- Holiday Pay - Holidays or holiday pay equal to but not in excess of the holidays or holiday pay provided to Miscellaneous employees, pursuant to Salary Standardization Ordinance Section VIA-F.

#### Disability Pay

The 8302 Deputy Sheriff I would be eligible for supplemental benefits if absent by reason of a work-related injury or illness, equivalent to 100 percent of the employee's compensation less required payroll deductions and less the sum of any payments to which the employee may be entitled under the Workers' Compensation and Insurance Chapters of the Labor Code.

#### Retirement Benefits

A new appointee to the miscellaneous 8302 Deputy Sheriff I classification would be a member of the City's Employees Retirement System for Miscellaneous employees until the employee is appointed to the 8304 Deputy Sheriff position, at which time the employee would become a member of the State Public Employees Retirement System (PERS) for sworn personnel.

#### Health Benefits

Classification 8302 Deputy Sheriff I would receive the same health and dental benefits as provided to classification 8304 Deputy Sheriff.

The following table summarizes the differences in salary and benefits between the 8302 Deputy Sheriff I position and the 8304 Deputy Sheriff position.

	<u>8302 Deputy Sheriff I</u>	<u>8304 Deputy Sheriff</u>	
		<u>Minimum</u>	<u>Maximum</u>
Biweekly Salary	\$1,190	\$1,429	\$1,731
Annual Salary	\$31,059	\$37,297	\$45,179
Premium Pay	6.25% above hourly wage	6.25% above hourly wage	
Overtime	1.5 times hourly wage	1.5 times hourly wage	
Holiday Pay	1.5 times hourly wage	1.5 times hourly wage	
Retirement	5.39% of salary	16.427% of salary	
Health Benefits	\$2,136 per year	\$2,136 per year	
Dental Benefits	\$943 per year	\$943 per year	
Unemployment	0.175% of salary	0.175% of salary	
Social Security	6.20% of salary	0	
Medicare	1.45% of salary	1.45% of salary	
Uniform Allowance	\$0	\$675 per year	
Training Pay	\$0	\$750 per year	



There are 78 new miscellaneous positions in the FY 1994-95 budget under the 8302 Deputy Sheriff I classification, with salaries budgeted at \$1,491,862. However, according to Sergeant Ridgeway of the Sheriff's Department, because of salary savings, funds exist for filling only 41 such positions, at an estimated cost of \$1,005,074 for approximately 20.6 pay periods (from September 19, 1994 through June 30, 1995). Sergeant Ridgeway advises that the fringe benefits budgeted for these 41 new miscellaneous positions are \$245,202 (24.4 percent) for 20.6 pay periods. Sergeant Ridgeway reports that the Sheriff's Department expects to appoint persons to the 41 available miscellaneous 8302 Deputy Sheriff positions no sooner than September 26, 1994 but no later than October 15, 1995. As such, sufficient funding exists in the Sheriff's Department FY 1994-95 budget to pay the salaries and fringe benefits for 41 miscellaneous Deputy Sheriff positions from no sooner than September 26, 1994 through June 30, 1995 (20.6 pay periods), at a total estimated cost of \$1,250,276 for FY 1994-95.

Lieutenant Phil Tutt of the Sheriff's Department advises that these 41 new miscellaneous Deputy Sheriff I positions would be assigned exclusively to the City's jails in the Department's Custody Division and would be responsible for prisoner custody and other correctional officer functions. Lieutenant Tutt further advises that this new unsworn position would essentially perform the same duties performed by the uniform 8304 Deputy Sheriff position, except for those duties requiring Peace Officer certification or carrying firearms.

### **Fiscal Impact**

Sergeant Ridgeway advises that without the new miscellaneous 8302 Deputy Sheriff I classification, an additional 41 uniform positions under the 8304 Deputy Sheriff classification would have to be hired instead, at an additional cost to the City of \$12,448 (See below) per 8304 Deputy Sheriff position per year, or a total of \$510,368 per year for 41 Deputy Sheriff positions.

The following table shows the estimated savings to the City on an annual basis and during the initial 18-month probationary period for the miscellaneous 8302 Deputy Sheriff I position, prior to advancement to the uniform 8304 Deputy Sheriff position. These savings would result from the creation of the new miscellaneous 8302 Deputy Sheriff I classification, as opposed to adding 41 new uniform 8304 Deputy Sheriff positions for that 18-month (1.5 years) period.



	8302 Deputy Sheriff I	8304 Deputy Sheriff (Step 2)	Column 2 - Column 1	Annual Savings for 41 Positions	Savings During Initial 18-Month Period <sup>1</sup>
Annual Salary	\$31,059	\$39,124	\$8,065	\$330,665	\$535,583
Retirement	1,674	6,427	4,753	194,873	298,808
Social Security	1,926	0	(1,926)	(78,966)	(118,449)
Medicare	450	567	117	4,797	7,790
Health Service	2,136	2,136	0	0	0
Dental Coverage	943	943	0	0	0
Unemployment					
Insurance	54	68	14	574	943
Uniform Allowance	0	675	675	27,675	41,513
Training Pay	<u>0</u>	<u>750</u>	<u>750</u>	<u>30,750</u>	<u>46,125</u>
Total Salary & Benefits	\$38,242	\$50,690	\$12,448	\$510,368	\$812,313

After the miscellaneous 8302 Deputy Sheriff I position's initial 18-month probationary period, the Deputy Sheriff I would be promoted to the uniform 8304 Deputy Sheriff position. According to Sergeant Ridgeway, appointees to the 8304 Deputy Sheriff position currently start at the Step Two salary level of \$39,124 per year. However, Sergeant Ridgeway advises that once the 41 new 8302 Deputy Sheriff I positions were promoted after the 18-month probationary period, they would be appointed to the 8304 Deputy Sheriff position at the minimum salary of \$37,297 per year, for an additional annual savings of \$1,827 per position or \$74,907 (41 positions x \$1,827 in savings per position) for 12 months after the initial 18-month probationary period. Thus, the total savings for the 30-month period would be \$887,220 (\$812,313 during the 18-month probationary period plus \$74,907 during the following 12 months).

Given that overtime pay, holiday pay and premium pay are all based on a percentage of the base hourly wage, and that the base hourly wage for the uniform 8304 Deputy Sheriff position is higher than the base hourly wage for the new miscellaneous 8302 Deputy Sheriff I classification, the City would also realize savings in overtime, holiday and premium pay as a result of creating the new miscellaneous

<sup>1</sup> The figures in this column reflect an increase in salary for the 8304 uniform Deputy Sheriff from Step 2 (\$39,124 per year) to Step 3 (\$41,055 per year) after the first 12 months of service. As such, these figures are based on the total 8304 Deputy Sheriff salary for 18 months of \$59,652 (\$39,124 for 12 months at Step 2 plus \$20,528 at Step 3 for the next six months) and on an 18-month salary of \$46,589 (\$31,059 per year x 1.5 years) for the 8302 Deputy Sheriff I.

classification rather than adding new uniform 8304 Deputy Sheriff positions to the Sheriff's Department FY 1994-95 budget. Since the Sheriff's Department is unable to estimate at this time how many overtime, holiday or nighttime hours would be worked by the 41 new miscellaneous 8302 Deputy Sheriff I positions provided for in the budget, the Sheriff is unable to estimate at this time how much additional savings would be generated. However, the table below shows the hourly wage, the overtime hourly wage, the premium hourly wage, the holiday hourly wage and the differences between the uniform 8304 Deputy Sheriff position rates (at Step 2) and the miscellaneous 8302 Deputy Sheriff I rates. The pay rates for the 8302 Deputy Sheriff I position represent a 20.6 reduction from the pay rates for the 8304 Deputy Sheriff position.

	8304 Deputy Sheriff	8302 Deputy Sheriff I	Reduction
Hourly Wage	\$18.74	\$14.88	\$3.86
Overtime/Holiday Pay	28.11	22.32	5.79
Premium Pay	19.91	15.81	4.10

**Comments:**

1. The Budget Analyst notes that this proposed MOU has been negotiated between the City and the Deputy Sheriff's Association and that the proposed MOU would result in savings both during the initial 18 months and subsequently when new civilian 8302 Deputy Sheriff I employees are hired to replace 8304 uniform Deputy Sheriff employees lost by attrition.

2. However, the Budget Analyst's original Zero Base Analysis recommendation was to create a new civilian, miscellaneous classification that (a) would promote to the 8304 uniform Deputy Sheriff classification only through attrition of the 8304s and (b) would result in constant savings every year, not just for an initial 18 months. The proposed new civilian 8302 Deputy Sheriff I classification would perform the same duties (both correction officer duties and administration and clerical duties) as the existing 8304 uniform Deputy Sheriff classification but at a lower, trainee salary level. Contrary to the Budget Analyst's Zero Based Budget recommendation, the proposed new classification does not establish a differentiation between correction officer duties (performed by a uniform Deputy Sheriff classification) and administrative and clerical duties (performed by a civilian, miscellaneous classification).

3. The Budget Analyst believes that the new miscellaneous civilian 8302 Deputy Sheriff I positions should not be promoted to the uniform 8304 Deputy Sheriff position automatically after 18 months of service. Instead, these miscellaneous 8302 positions should be promoted only if uniform 8304 Deputy Sheriff positions become available through attrition. Automatically promoting the miscellaneous 8302 Deputy Sheriff I could incur a higher cost to the City if there is not sufficient attrition in 8304 uniform Deputy Sheriff positions to accommodate all the 8302 civilian Deputy Sheriff I employees who have completed 18 months of service. The Sheriff's Department advises that attrition documentation demonstrating that there will be an attrition rate of 78 uniform Deputy Sheriffs every 18 months is not available at this time.

4. Chief Maryann Desouza of the Sheriff's Department advises that the Sheriff's Department is currently considering funding the remaining 37 Recruit Deputy Sheriff positions not presently funded in 1994-95 budget (78 budgeted less 41 funded) by the end of FY 1994-95 so that the new jail facility can be fully staffed. Chief Desouza further advises that the salaries and fringe benefits for these remaining 37 positions may be funded with a supplemental appropriation to be requested by the Sheriff's Department. These additional 37 civilian positions would result in additional annual costs of \$1,414,954 (37 positions x \$38,242 per year, including salary and benefits); but this cost would be \$460,576 less than if the positions were filled by the 8304 uniform Deputy Sheriff, which would cost an additional \$1,875,530 (37 positions x \$50,690 per year, including salary and benefits). This would result in a total annual savings of \$970,944 (\$460,576 plus \$510,368 as noted in the Table under the Fiscal Impact Section above) resulting from the 78 new positions under the 8302 Civilian Deputy Sheriff I classification.

5. The following table summarizes the annual savings for all 78 positions budgeted under the miscellaneous 8302 Deputy Sheriff I classification in the Sheriff's Department FY 1994-95 budget. These savings have been accounted for in the Sheriff's Department FY 1994-95 budget.

	8304 uniform Deputy Sheriff	8302 civilian Deputy Sheriff I	Annual Savings
Salaries	\$3,051,672	\$2,422,602	\$629,070
Fringe Benefits	<u>902,148</u>	<u>560,274</u>	<u>341,874</u>
Total	\$3,953,820	\$2,982,876	<u>\$970,944</u>

6. Because of the lack of space in the City's existing jails, the City must pay Alameda County approximately \$500,000 per month to house inmates in Alameda County's jails. Lieutenant Tutt advises that if the proposed MOU were not approved as is by the Board of Supervisors, the City would have to renegotiate the MOU with the Deputy Sheriff's Association, thereby delaying the opening of the new jail facility by several months, until an MOU is approved by the Board of Supervisors and new employees are hired to staff the new jail facility.

**Recommendation:** Approval of the proposed legislation is a policy matter for the Board of Supervisors because, as previously noted, the duties of the new miscellaneous 8302 civilian Deputy Sheriff I classification do not conform to the previous recommendations of the Budget Analyst in the Zero Based Budget Analysis. The proposed new 8302 civilian Deputy Sheriff I classification would perform the same duties (both correction officer duties and administration and clerical duties) as the existing 8304 uniform Deputy Sheriff classification but at a lower, trainee salary level. Contrary to the Budget Analyst's Zero Based Budget recommendation, the proposed new civilian classification does not establish a differentiation between correction officer duties (performed by a uniform Deputy Sheriff classification) and administrative and clerical duties (performed by a civilian, miscellaneous classification).

Further, as previously noted, the Budget Analyst believes that the new miscellaneous 8302 civilian Deputy Sheriff I positions should not be promoted to the uniform 8304 Deputy Sheriff positions automatically after 18 months of service. Instead, these miscellaneous 8302 civilian positions should be promoted only if uniform 8304 Deputy Sheriff positions

become available through attrition. Automatically promoting the miscellaneous 8302 civilian Deputy Sheriff I positions to the 8304 uniform Deputy Sheriff positions would incur a higher cost (\$12,448 annually per position) to the City if there is not sufficient attrition in uniform 8304 Deputy Sheriff positions to accommodate all the 8302 civilian Deputy Sheriff I employees who have completed 18 months of service. The Sheriff's Department advises that documentation for attrition data is not available at this time to demonstrate that there will be an attrition rate of 78 uniform Deputy Sheriffs every 18 months.



SAN FRANCISCO CIVIL SERVICE COMMISSION

CLASS TITLE: DEPUTY SHERIFF I

CODE: 8302

CHARACTERISTICS OF THE CLASS:

Under direct supervision, receives intensive training in the performance of a variety of duties relating to supervision of prisoners in custody; may receive training in organizing jail work programs and work crews, and general law enforcement duties in preparation for completion of the POST Academy requirements; and may perform other custodial duties as directed.

DISTINGUISHING FEATURES:

A Deputy Sheriff I is a peace officer trainee assigned to work under the supervision of a regularly employed Deputy Sheriff, except in satellite assignments, and is responsible for the custody and supervision of prisoners in a county jail. The class of Deputy Sheriff I is distinguished from that of Deputy Sheriff in that a Deputy Sheriff is a Peace Officer as defined in California Penal Code Section 830.1; possesses a POST Basic Certificate; and performs custodial, court, transportation, general law enforcement responsibilities, and other related duties. The Deputy Sheriff I is not assigned duties extending to the investigation of crimes or to the enforcement of general laws of the State of California. The class serves as a trainee under direct supervision of a regularly employed Deputy Sheriff, Senior Deputy Sheriff or higher ranking officer.

EXAMPLES OF DUTIES:

"Class specifications shall be descriptive of the class and shall not be considered a restriction on the assignment of duties not specifically listed." (CSC Rule 7)

1. Receives training and assists in supervising prisoners and maintaining order in county jails; this may include but is not limited to: techniques of checking jail security hardware, such as doors, locks and windows, for evidence of tampering or malfunction; techniques of prisoner movement control; techniques of cell searches and contraband detection; techniques of detecting and reporting criminal activity and violations of prisoner rules of conduct; and techniques of daily jail operations.
2. Receives training and assists in collecting and handling of prisoner property, clothing, and money; distribution and handling of jail clothing and bedding; supervision of prisoner work crews in culinary, laundry, janitorial, stock handling, garbage, farm and other jail details.



EXAMPLES OF DUTIES: (Cont.)

3. Receives training and assists in booking, classifying, and release of prisoners; and preparing, retrieving and maintaining other jail records.
4. Receives training in and assists with the use of restraint gear and restraint techniques, non-lethal chemical agents, defensive tactics, cardiopulmonary resuscitation and other first aid.
5. May receive training in techniques of supervision of mentally ill persons in custody.
6. May receive training in techniques of arrest, collection and preservation of evidence and preparation of accompanying documents.
7. May receive training in the use of firearms, baton and other weapons in compliance with existing laws, policies and procedures.

**QUALIFICATIONS;**

"The Examination Announcement shall be the official notice of an examination and shall provide the qualifications, dates and other particulars regarding the selection procedure. Applicants must be guided solely by the terms of the Examination Announcement." (CSC Rule 8)

Knowledge, Abilities and Skills: Requires ability to: deal tactfully and courteously with the public; control prisoners individually and in groups and deal with them on a fair and impartial basis; remain alert at all times and react quickly and calmly in an emergency; speak and write effectively; observe situations and write reports accurately and concisely; prepare and maintain accurate records and reports.

Special Requirement: Prior to appointment, a candidate must successfully meet the requirements of San Francisco Sheriff's Department administered background investigation. Additionally, appointees to positions in this class are required to successfully complete the course requirements of a State of California Certified Peace Officers Standards and Training Academy, a State of California Certified Basic Jail Training Course, the San Francisco Sheriff's Department Training Program and an 18-month probationary evaluation period, with overall performance ratings of Competent and Effective, or above.

License: Requires possession of a valid California Driver's Class C or III License.

Advancement: Appointees who successfully complete the special requirements listed above, and in the examination announcement, are eligible to be advanced to the class 8304 Deputy Sheriff. All other advancements to higher classes are based on competitive promotional examinations.

Date Adopted:



Memo to Budget Committee  
September 21, 1994

Item 4 - File 101-92-10.5

**Note:** This item was continued at the August 24, 1994 Budget Committee Meeting.

**Department:** San Francisco Public Library  
Department of Public Works

**Item:** Requesting the release of reserved funds in the amount of \$150,000 to replace the heating system in the Mission Branch Library.

**Amount:** \$150,000

**Source of Funds:** 1988 Library Improvement Bond Proceeds

**Description:** In December of 1992, the Board of Supervisors approved a supplemental appropriation (File 101-92-10.1) in the amount of \$86,213,304 in 1988 Library Improvement Bond proceeds for capital improvement projects. Of this amount, the Board placed \$6,172,083 on reserve, including \$5,216,203 for services to be performed by the Department of Public Works (DPW) and the Public Library, pending the determination of staffing requirements and the annual Salary Standardization increases for FY 1993-94 and FY 1994-95, and \$955,880 for the relocation of the Public Library's collection and for Specialized Inspection consulting services, pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors. The Board subsequently released \$3,044,499 of the \$6,172,083 placed on reserve for DPW construction project management services, and Specialized Inspection and Testing contractual services, thereby leaving a balance of \$3,127,584 on reserve.

The Public Library is now requesting the release of \$150,000 to replace the heating system in the Mission Branch Library. The proposed release includes funding for in-house City costs of replacing the heating system in the Mission Branch Library as well as construction costs as follows:

**Department of Public  
Works Bureau**

Bureau of Architecture		
Project Planning	\$2,000	
Project Management	6,000	
Bureau of Mechanical Engineering		
Design Services	16,000	
Bureau of Electrical Engineering		
Design Services	8,000	
Bureau of Construction Management		
Site Assessment Remediation (Hazardous Materials Abatement)	10,200	
Construction Management	9,300	
Project Contingency	<u>2,582</u>	
<b>Total In-House City Costs</b>		<b>\$54,082</b>

**Contractual Services**

Dry-side Work		
Construction Contract	\$37,598	
Contingency (10%)	<u>3,800</u>	
Total Dry-side Work	\$41,398	
Wet-side Work		
Construction Contract	\$49,520	
Contingency (10%)	<u>5,000</u>	
Total Wet-side Work	\$54,520	
<b>Total Contractual Services Costs</b>		<b><u>95,918</u></b>
<b>Total Project Costs</b>		<b>\$150,000</b>

**Comment:**

According to Mr. Russell Abel, of the Department of Public Works, Bureau of Architecture, there would be two contracts for the work needed to replace the heating system at the Mission Branch Library. For the dry-side work, which includes the replacement of ducts and vents, of the three firms solicited, the firm of Aladdin Mechanical Services submitted the only bid of \$37,598. Aladdin Mechanical Services is not an MBE or WBE firm. Mr. Abel is also requesting a contingency of \$3,800 for this portion of the project, bringing the total for the dry-side work to \$41,398.

Four firms were solicited for the wet-side work which includes the removal and replacement of the boiler, piping, controls and

Memo to Budget Committee  
September 21, 1994

valves. Bids were received from two firms: 1) Aladdin Mechanical Services submitted a bid for \$49,520, and 2) Bay City Boiler and Engineering Company, Incorporated submitted a bid for \$49,907. Mr. Abel indicated that the contract would be awarded to Aladdin Mechanical Services and that the contract for the wet-side work would include a contingency (\$5,000). The contract for the wet-side work would total \$54,520.

**Recommendation:** Release \$150,000 as requested.





Item 5 - File 101-94-15

**Department:** San Francisco Public Library

**Item:** Ordinance appropriating \$2,100,000, to the Public Library from 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency for New Main Library and Branch Library improvement renovations) for fiscal year 1994-95.

**Amount:** \$2,100,000

**Source of Funds:** 1988 Library Improvement Bond Proceeds

**Description:** In 1988, voters approved a bond program for improvements to the public library system. Of the original bond amount of \$109.5 million, \$104.5 was allocated to the new Main Library and \$5.0 million was allocated for the renovation of five Branch Libraries. Additionally, an estimated \$10.0 million in interest was expected to accrue from the bonds with \$9.5 million allocated the Main library and \$500,000 allocated to the branches. Three of the five branches, Park, Presidio, and Sunset, have been renovated. The two remaining branch libraries, Chinatown and Mission, are in progress.

The proposed supplemental appropriation totaling \$2,100,000 is requested to: a) increase the Main Library contingency fund by \$400,000 and b) to increase the Chinatown and Mission Branch Library renovation project construction contingency fund by \$1,700,000. According to Mr. Russell Abel of the Department of Public Works, Bureau of Architecture, the total estimated cost for the Main Library construction project is \$136,187,049 and the total estimated costs for completing the renovations on the five Branch Libraries is \$10,958,105.

**Comments:** 1. The Main Library construction contingency fund was initially established with an allocation of \$6,000,000. To date, \$3,000,000 of the construction contingency fund has been encumbered and/or expended on change orders, leaving an available balance of approximately \$3,000,000. Mr. Jim Cheng, of the Department of Public Works reports that \$400,000 is currently available from the Library Improvement Bond Proceeds to increase the construction contingency fund for the Main Library construction project. Mr. Cheng also states that the total cost of the Main Library construction project, including change orders, is not known at this time. The \$400,000 requested in this proposed appropriation would increase the Main Library construction contingency fund to

\$3,400,000 (\$3,000,000 currently available plus \$400,000 from this request).

2. Until the Department submits documentation for exhausting the presently available balance in the Main Library construction contingency fund of \$3,000,000, the Budget Analyst recommends that the proposed \$400,000 appropriation to increase the Main Library construction contingency fund be continued to the call of the Chair.

4. The construction contingency fund for the Branch Libraries has a current balance of approximately \$235,000. The \$1,700,000 requested in the proposed appropriation would increase the Branch Libraries construction contingency fund to \$1,935,000. Mr. James Chia of the Department of Public Works, indicates that the additional \$1,700,000 requested for the construction contingency for the Chinatown and Mission Branch Library renovation projects would be used to cover additional work related to the renovation of the Branch Libraries.

5. The City is currently in negotiation with contractors on the cost of change orders for the Branch Library renovation projects because of modifications in design specifications and changes in the scope of work on these projects. According to estimates from the Department of Public Works, the change orders have a projected cost of up to approximately \$2.3 million. According to Mr. David Norman of the City Attorney's Office, negotiations are currently in process and detailed information regarding the specific items and the associated costs are not available at this time. Therefore, the Budget Analyst recommends that the proposed \$1,700,000 appropriation to increase the contingency fund for the Branch Libraries also be continued to the call of the Chair.

**Recommendation:** Continue the proposed ordinance to the call of the Chair regarding a) the \$400,000 request for the Main Library construction contingency fund and b) the \$1,700,000 for the contingency fund for the Branch Libraries pending the submission to the Board of Supervisors of the finalization of cost details.

Item 6 - File 101-94-13

**Department:** Department of Public Works (DPW)  
Bureau of Engineering (BOE)

**Item:** Supplemental appropriation ordinance appropriating \$3,835,000 in Special Gas and Road Funds to finance capital improvements (Chinatown Alleyway and Lighting Improvements) for FY 1994-95.

**Amount:** \$3,835,000

**Source of Funds:**

Special Gas Tax Street Improvement Fund - Reserve for Contingencies	\$1,874,824
Road Fund- Reserve for Contingencies	<u>1,960,176</u>
Total	\$3,835,000

**Description:** In the early 1970s, the City purchased property at the southwest corner of Washington and Montgomery Streets using an allocation of Special Gas Tax and Road Funds from the State, for the purpose of widening Washington Street. In 1978, the Department of Public Works (DPW) decided that this property was no longer needed for the widening of Washington Street and designated it as surplus land. In September of 1981, the Board of Supervisors authorized the sale of this surplus land through public auction and earmarked the \$3,835,000 in net proceeds from the sale of this property for street maintenance and alleyway improvements in Chinatown. In accordance with State laws, the proceeds from the sale of land originally purchased with State funds may only be used for other State-approved purposes. Therefore, the \$3,835,000 in net proceeds was re-deposited into the Special Gas Tax Street Improvement Fund and Road Fund. DPW has identified two capital improvement projects in Chinatown, which are described below, for which the proposed supplemental appropriation is being requested.

Chinatown Alleyway Improvement Project

The small amount of open space available in Chinatown is heavily used not only by residents, but also tourists and patrons from the neighboring financial district. As a result, alleyways have become the circulation route for residents who prefer to avoid the traffic and pedestrian congestion of the major streets. According to DPW, these alleyways are oftentimes neglected and are used as dumping sites for adjacent businesses and restaurants.

In the 1970s, the Chinatown Resource Center (CRC), a nonprofit organization, founded the Chinatown Alleyway

Improvement Project in order to improve and renovate Chinatown's alleyways for pedestrian and recreational use. In 1980, the CRC identified 41 alleys as potential renovation projects, eight of which have been renovated to date. The DPW is now requesting a supplemental appropriation of \$2,938,000 in order to complete the renovation of the remaining 33 alleyways. The CRC would conduct community meetings in order to arrive at a consensus in developing a master plan, while DPW would be responsible for design and the administration of the construction contracts for the alleyway improvement projects.

According to DPW, among the benefits of renovating Chinatown's alleyways are (1) a reduction in illegal parking and vehicle access, thereby improving pedestrian safety; (2) an increase in accessibility for the disabled and elderly; (3) a reduction in illegal dumping through the consolidation of dumpster areas and the restriction of dumpsters in certain alleys; (4) the creation of open park space through landscaping and the installation of seating; (5) the provision of attractive and safe secondary streets for tourists, resulting in economic benefits for Chinatown; and (6) an improvement in the overall quality of life for Chinatown's residents.

Attached is a list of the alleyways, the number of square feet and the project description, as provided by DPW.

#### Chinatown Lighting Improvement Project

As a result of the increasing incidence of crime in Chinatown, DPW wishes to undertake a lighting improvement project in order to increase the amount and quality of street lighting in Chinatown, thereby discouraging crime and enhancing economic viability. The lighting improvement project would provide for additional dragon lanterns or similar lighting elements along Chinatown's Grant Avenue, as well as an increase in conventional lighting on other major streets in Chinatown. The estimated cost of the project is \$897,000.

According to DPW, among the benefits of improving Chinatown's street lighting are (1) a reduction in criminal and gang activities; (2) an increase in the number of tourists and visitors, thereby generating additional revenue; and (3) the establishment of new businesses, the extension of business operating hours and the expansion of business activities in order to accommodate the increased number of visitors.



<b>Budgets:</b>	<u>Chinatown Alleyway Improvement Project</u>	
	DPW - Planning	\$110,000
	DPW - Design and Engineering	264,000
	Construction Contracts	2,300,000
	DPW - Construction Management	<u>264,000</u>
	Subtotal	\$2,938,000
	<u>Chinatown Lighting Improvement Project</u>	
	DPW - Planning	\$37,000
	DPW - Design and Engineering	80,000
	Construction Contract	700,000
	DPW - Construction Management	<u>80,000</u>
	Subtotal	<u>897,000</u>
	Total Supplemental Appropriation Request	<u>\$3,835,000</u>

**Comment:** The construction contractors for the Chinatown Alleyway Improvement Project (\$2,300,000) and the Chinatown Lighting Improvement Project (\$700,000) have not yet been selected. As such, the amounts allocated for these two projects, totaling \$3,000,000, should be placed on reserve, pending the selection of construction contractors, the submission of budget details and the MBE/WBE status of the contractors. According to Mr. Nelson Wong of DPW, DPW expects to advertise the first invitation for bids for the Chinatown Alleyway Improvement Project in the autumn of 1995 and anticipates that project construction will commence in 1996. Mr. Wong further advises that DPW expects to advertise the invitation for bids for the Chinatown Lighting Improvement Project in the spring of 1995 and anticipates that project construction will commence in the summer of 1995.

- Recommendation:**
1. Amend the proposed ordinance by reserving \$2,300,000 for construction contracts for the Chinatown Alleyway Improvement Project and \$700,000 for construction contracts for the Chinatown Lighting Improvement Project, pending the selection of construction contractors, the submission of budget details and the MBE/WBE status of the contractors.
  2. Approve the proposed ordinance, as amended.



CHINATOWN ALLEYS

NO.	NAME	AREA (sq. ft.)
1.	Adler	2,537.5
2.	Beckett	6,187.5
3.	Bedford	900
4.	Brooklyn	2,600
5.	Commercial	7,980
6.	Cooper Alley	742.5
7.	Cordelia	4,812.5
8.	Emmet	1,150
9.	Hang Ah	4,353.25
10.	James	812.5
11.	Jason Court	1,050
12.	John	12,600
13.	Joice, California to Sacramento	4,812.5
14.	Joice, Sacramento to Clay	4,812.5
15.	Miller	2,800
16.	Parkhurst	2,227.5
17.	Pelton Place	675
18.	Ross	3,300
19.	Sabin	2,902.5
20.	Shephard	1,925
21.	Spofford	5,500
22.	St. Louis	1,300
23.	Stark	2,600
24.	Stone	4,812.5
25.	Trenton, Jackson to Pacific	4,500
26.	Trenton, Washington to Jackson	2,450
27.	Walter U. Lum	9,180
28.	Waverly, Sacramento to Clay	5,843.75
29.	Waverly, Clay to Washington	5,843.75
30.	Wayne	3,600
31.	Wentworth	4,331.25
32.	Wetmore, Clay to Washington	4,207.5
33.	Wetmore, Sacramento to Clay	2,065.5

Scope of Work

The proposed improvements to the alleys include some or all of the following features depending on location and condition:

- Special colored and textured concrete paving graded to one level to improve disabled access;
- Trees, tree grates, and Irrigation to provide greenery and shade;
- Street furniture such as bollards, planters, benches, and signage to demarcate the alleys as pedestrian zones; and,
- Pedestrian-type drainage inlets which are safer for pedestrian foot traffic.

These proposed improvements will allow the alleys to be utilized as much-needed open space in Chinatown.

Post-It™ brand fax transmittal memo 7871		# of pages > 1	
To	From	NELSON WONG	
Co.	Co.	DPW	
Dept.	Phone #	554-8281	
Fax #	Fax #	554-8243	

Item 7 - File 79-92-3.9

**Department:** Mayor's Office of Community Development

**Item:** Release of reserved funds from the 1993 Lead Hazard Reduction Program Pool for the Lead Hazard Reduction Program for Community Development Block Grant funded child care centers.

**Amount:** \$15,000

**Source of Funds:** 1993 Community Development Block Grant (CDBG) funds.

**Description:** The Board of Supervisors previously approved the City's 1993 Community Development Block Grant Fund Program (File 79-92-3) in the amount of \$21,708,373 including \$500,000 for the Lead Hazard Reduction Program Pool that was reserved pending submission of budget details to the Board of Supervisors. The Lead Hazard Reduction Program is administered by the Mayor's Office of Community Development (MOCD) and is intended to reduce lead contamination in child care centers. Funding from the Program is available to child care centers that are currently receiving CDBG funding or have received CDBG funding in the past.

The Board of Supervisors has previously released a total of \$197,600, from this Pool to fund lead testing and analysis in CDBG-funded child care facilities in San Francisco and for lead abatement programs in those facilities which tested positive for lead, leaving a balance of reserved funds of \$302,400. The proposed release of \$15,000 will fund rehabilitation in the Chinatown Community Children's Center and will leave a balance of \$287,400 still on reserve. The budgeted work at the Chinatown Community Children's Center includes stripping and repainting doors, trims, and railings, installation of vinyl flooring, and professional services for drawings, specifications, contract administration and inspection.

<b>Budget:</b>	Chinatown Community Children's Center	
	Strip and repaint doors & trim	\$3,500
	Scrape and epoxy railings	1,000
	Install vinyl flooring	9,000
	Architectural and contract administration services	1,500
	<b>TOTAL</b>	<b>\$15,000</b>

Memo to Budget Committee  
September 21, 1994

**Comments:** To date, Lead Hazard Reduction Program Pool funds have been released for lead rehabilitation work at the St. Patrick Day Care Center, Florence Crittendon Services child care center, Mission Neighborhood Center, and two sites of the Visitation Valley Community Center.

**Recommendation:** Approve the release of reserved funds.

Item 8 - File 101-93-118.1

**Department:** Superior and Municipal Courts (Trial Courts)

**Item:** Release of reserved funds for Superior and Municipal Courts for the excavation, shoring, underpinning work and other work related to the construction of the new Courthouse.

**Amount:** \$2,109,323

**Source of Funds:** Courthouse Construction Fund. This Fund consists of surcharges on civil and probate filing fees, parking fines, and criminal fines. As of September 19, 1994 the balance of the fund was \$965,552 (net of this subject request for release of \$2,109,323).

**Description:** The Chief Administrative Officer and the Trial Courts are currently engaged in planning for the construction of a new County Courthouse building at the corner of Polk and McAllister Streets. Demolition of the existing structures at the construction site is in progress. Excavation is scheduled to begin approximately October 1, 1994 and construction of the new County Courthouse is scheduled to begin approximately March 1, 1995. The construction of the Courthouse is being coordinated by the Chief Administrative Officer and a Courthouse Construction Committee, which includes representatives from the Trial Courts.

In July of 1994, the Board of Supervisors approved a \$9,722,458 supplemental appropriation ordinance for the demolition and excavation costs associated with the Courthouse construction project. Additional funds in an estimated amount of \$42 million will be required to construct the Courthouse, which as stated above, is scheduled to begin approximately March 1, 1995. Funds for the construction are expected to be obtained by issuing Certificates of Participation, which would be repaid from the Courthouse Construction Fund. Of the \$9,722,458 appropriated, \$2,769,323 for excavation, shoring and underpinning work was reserved pending selection of contractors, cost details and MBE/WBE status of the contractors.

The Trial Courts, through its Invitation for Bids process, has selected Kulchin-Condon/Marinship, a joint venture firm as the lowest responsible bidder, based on a bid of \$2,288,000. Marinship is a Minority Business Enterprise (MBE) firm, and the Human Rights Commission (HRC) reports that the joint venture, Kulchin-Condon/Marinship meets the

subcontracting goals established by the HRC for this particular phase of the project. Marinship will be allocated 51 percent or \$1,166,880 of the \$2,288,000.

The Trial Courts received three bids for the excavation, shoring, and underpinning phase of the project as follows:

<u>Name of Firm</u>	<u>Amount of Bid</u>	<u>MBE/WBE Status</u>
Kulchin-Condon/Marinship, Joint Venture	\$2,288,000	MBE/LBE
Nibbi-Tom, Joint Venture	\$2,300,000	MBE/LBE
Evans Brothers, Inc.	\$2,400,000	None

The \$2,288,000 would cover the following expenses:

Excavation, Shoring and Underpinning Construction	\$1,377,863
Hazardous Materials Abatement	778,320
Hazardous Materials Testing	50,000
Removal of Hydraulic Tank in Pioneer Museum site	20,000
Removal of Tank from Chevron Station Site	25,000
Bureau of Building Inspection fees	7,825
Street Space deposit and fee*	3,992
Special Inspection allowance*	<u>25,000</u>
TOTAL	\$2,288,000

\* These are permit fees charged by the Bureau of Building Inspection (BBI) of the Department of Public Works which are required by the City's Building Code. Street space deposits are required whenever construction is taking place near a street. Special inspection fees are required for all shoring and underpinning projects. The City's Building Code requires the project's design engineer to provide on-site

supervision and inspection of the work related to the shoring and underpinning.

**Comment:**

As noted previously, the bid amount is \$2,288,000, which is \$178,677 more than the proposed release of reserve amount of \$2,109,323. Mr. Clyde Cohen, of the Office of the Chief Administrative Officer, advises that of the additional \$178,677 needed, \$20,000 would be reimbursed from monies currently in escrow, and \$25,000 would be reimbursed by the Chevron Corporation for additional available funding of \$45,000. The balance needed of \$133,677 (\$178,677 less the \$45,000) is available from previously appropriated Courthouse Construction Fund monies in the Trial Courts' budget.

**Recommendation:** Release the reserved funds in the amount of \$2,109,323.





Item 9 - File 101-94-12

**Note:** This item was continued by the Budget Committee at its meeting of September 14, 1994.

**Department:** Water Department

**Item:** Supplemental Appropriation Ordinance appropriating \$142,011 from the San Francisco Water Department (SFWD) Operating Fund Balance for a capital improvement project, the Bay Division Pipeline #1 and #2 Expansion Joint.

**Amount:** \$142,011

**Source of Funds:** Zanker Road Inspection Project Funds, consisting of surplus funds from a completed project to inspect a portion of the Pipeline for possible damage.

**Description:** The proposed supplemental appropriation ordinance would provide \$142,011 to rehabilitate the expansion joints on the Bay Division Pipelines #1 and #2, which extend from Alameda County, south of Hayward, under the Bay to San Mateo County, south of Palo Alto, and supplies water to the City and Suburban water users. The expansion joints hold the pipelines in place, while allowing them to accommodate temperature changes or movement of the earth, and are an integral part of the pipe system. Mr. Carlos Jacobo of the PUC advises that the expansion joints have exceeded their recommended life and are now deteriorating. Mr. Jacobo states that any failure of the expansion joints would compromise the SFWD's ability to deliver water through the pipelines.

The current estimate of the cost of making these repairs to the expansion joints on Bay Division Pipelines #1 and #2 is as follows:

Materials and Supplies	\$98,000
Labor and Fringe Benefits	<u>155,000</u>
Total Estimated Cost	\$253,000

The proposed Bay Division Pipelines rehabilitation project was originally approved as part of the SFWD Capital Program in FY 1989-90. However, due to the failure of the San Andreas Pipeline #3, the proposed rehabilitation project was postponed in order to complete more urgent repairs on Pipeline #3.

The project received appropriations in FY 1989-90, FY 1990-91 and FY 1992-93 totaling \$270,000. However in FY 1993-94 \$174,000 was removed from the project budget to fund more urgent SFWD maintenance projects related to the San Andreas Pipeline #3. A total of \$96,000 (\$270,000 minus \$174,000) remains available in the original project budget.

Based on the current cost estimate, the project requires \$157,000 (\$253,000 minus \$96,000) for completion. The proposed Supplemental Appropriation Ordinance would provide \$142,011, which is the balance of funds available from the Zanker Road Inspection Project Funds. (The Zanker Road Inspection Project Funds are surplus funds from a completed project to inspect a portion of the pipelines for possible damage.) Mr. Jacobo advises that the SFWD expects to be able to obtain the remaining \$14,989 (\$157,000 minus \$142,011) from surplus funds from other completed capital improvement projects.

**Comments:**

1. Mr. Jacobo reports that, because rehabilitation of the expansion joints will involve construction work in tidal marshes on both sides of the Bay, the SFWD must secure permits from the United States Corps of Engineers and the Bay Conservation and Development Commission. As of the writing of this report, the SFWD has applied for these permits but does not yet have the necessary permit approvals.

2. Mr. Jacobo states that the project budget estimate provided in this report is preliminary. Mr. Jacobo advises that the project budget estimate will be revised based on any mitigation requirements included in the Corps of Engineers and/or Bay Conservation and Development Commission permits.

3. The Capital Improvement Advisory Committee (CIAC) recommends approval of the proposed Supplemental Appropriation Ordinance.

**Recommendations:**

1. Amend the proposed Supplemental Appropriation Ordinance, by reserving the total \$142,011 until the SFWD (a) obtains the necessary permit approvals from the U.S. Corps of Engineers and the Bay Conservation and Development Commission, and (b) provides a finalized project budget to the Budget Committee.

2. Approve the proposed Ordinance as amended.

Item 10 - File 101-91-71.2

**Note:** This item was continued by the Budget Committee at its meeting of September 14, 1994.

**Department:** Department of Public Health (DPH)

**Item:** Release of reserved funds in the amount of \$16,995, for the Hospital Communications Project.

**Amount:** \$16,995

**Source of Funds:** Emergency Medical Services Fund from State revenues as authorized by SB 12

**Description:** The Board of Supervisors previously approved a supplemental appropriation in the amount of \$943,616 (File 101-91-71) from the Emergency Medical Services (EMS) Fund which included \$280,000 for the Hospital Communications Project. This project involves the installation of a computerized emergency communications system that links all 19 emergency medical facilities within the City for the primary purpose of day-to-day EMS communications between San Francisco hospitals and other EMS organizations and for disaster related communications. The \$280,000 budgeted for the Hospital Communications Project was reserved pending EIPSC approval, the MBE/WBE status of the contractors and finalized cost details. The Budget Committee subsequently released \$263,005 of the \$280,000, for projected contract expenditures, and continued to reserve \$16,995 (File 101-91-71.1) because DPH had not submitted a justification for the expenditure of these remaining funds.

The DPH is now requesting that the \$16,995 be released from reserve. Ms. Jacki Berlinberg, EMS Hospital Coordinator, advises that due to the complexity of the Hospital Communication Project, additional unanticipated contract costs have recently been identified. EMS now projects the expenditure of the entire \$280,000 for this project as detailed below:

Original Contract	\$256,760
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Unanticipated Additional Contract Costs:

Video/Computer Interface Equipment for Training Video	550
Radio Equipment for One Additional Location - Radio, Modem and Installation	4,030
Radio Antenna	170

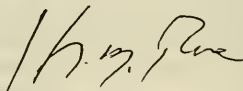
Memo to Budget Committee  
September 21, 1994

FCC License	300
Speakers and Sound Package Installation at all 19 emergency medical facilities	1,800
Amateur Radio Equipment	2,390
Program Modifications at \$175/hr. for up to 80 hrs. *	<u>14,000</u>
Total	\$280,000

\* Program modifications include (a) additional software modules for Multi-Casualty Incidents (MCI), which are incidents involving five or more patients at one site and (b) disaster related programs (i. e., patient tracking interface with the American Red Cross, disaster system report development, and interface with the Presidio EMS system and development of a laptop field management module).

**Comment:** Ms. Debra Vincent-James, EIPSC Staff Director reports that EIPSC has given its approval for the expenditure of the \$16,995 for the unanticipated contract expenditures.

**Recommendation:** Release the reserved funds in the amount of \$16,995.

  
Harvey M. Rose

cc: Supervisor Hsieh  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Migden  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey



AUG 27 1996

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CALENDAR ... ACTION TAKEN  
 " SPECIAL BUDGET COMMITTEE  
 " BOARD OF SUPERVISORS  
 CITY AND COUNTY OF SAN FRANCISCO

FRIDAY, SEPTEMBER 23, 1994 - 11:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 127-94-5.2. [Real Property Transfer Tax] Ordinance amending Part III, Municipal Code, by amending Section 1102 of the Real Property Transfer Tax Ordinance to decrease the tax rate to \$3.75 from \$5.00 for each \$500 of consideration or value of the property conveyed for transfers in which the consideration or value of the property conveyed exceeds \$250,000. (Budget Committee)

ACTION: Amendment of the Whole (as presented by Supervisor Kaufman) adopted. New title: "Ordinance amending Part III, Municipal Code, by amending Section 1102 of the Real Property Transfer Tax Ordinance to decrease the tax rate to \$3.40 from \$5.00 for each \$500 of consideration or value of the property conveyed for transfers in which the consideration or value of the property conveyed is between \$250,000 and \$1,000,000 and to \$3.75 from \$5.00 for each \$500 of consideration or value of the property conveyed for transfers in which the consideration or value of the property conveyed is \$1,000,000 and above."  
 RECOMMENDED AS AMENDED. (Supervisor Migden withdrew her sponsorship)

2. File 101-94-16. [Revenue & Expenditure Appropriations, Adjustment] Ordinance adjusting revenue and expenditure appropriations for various departments of the General Fund, Senior Citizens Programs fund, Special Gas Tax and Street Improvement fund, Road fund, Recreation and Park Special Revenue fund, Municipal Railway, San Francisco General Hospital, and Laguna Honda Hospital Operating funds, reflecting budget adjustments for fiscal year 1994-95. (Budget Committee)

ACTION: Amendment of the Whole (reflecting cuts from committee) adopted. New title: "Ordinance adjusting revenue and expenditure appropriations for various departments of the General Fund, Recreation and Park Special Revenue Fund, Municipal Railway and Laguna Honda Operating Funds, reflecting budget adjustments for fiscal year 1994-95; placing \$500,000 on reserve." RECOMMENDED AS AMENDED.



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CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

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SEP 23 1994

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September 22, 1994

**TO:** Budget Committee  
**FROM:** Budget Analyst  
**SUBJECT:** September 23, 1994 Special Budget Committee Meeting

Item 1 - File 127-94-5.2

1. The Mayor has vetoed an ordinance previously approved by the Board of Supervisors which would have increased the Real Property Transfer Tax by 100 percent from \$2.50 for each \$500 (\$5.00 per \$1,000) to \$5.00 per \$500 (\$10.00 per \$1,000) of property value conveyed for real property valued in excess of \$250,000. That ordinance (File 127-94-5.1) can only be enacted if the Mayor's veto is overridden by an eight vote majority of the Board of Supervisors.

2. The proposed ordinance, which would amend Part III - Section 1102 of the Municipal Code, would result in a 50 percent decrease in the Real Property Transfer Tax rate from the Board's previously approved rate increase of 100 percent. The proposed amendment would have the effect of increasing the existing tax rate by 50 percent (instead of 100 percent) from \$2.50 for each \$500 (\$5.00 per \$1,000) to \$3.75 for each \$500 (\$7.50 per \$1,000) of property value conveyed for real property valued in excess of \$250,000.

3. The Controller originally certified increased 1994-95 Real Property Transfer Tax revenue in the amount of \$9.6 million based on approval of the original ordinance that would have increased the tax rate by 100 percent effective October 1, 1994 (9 months for Fiscal Year 1994-95). This revenue has been included in the approved 1994-95 budget.

4. If this proposed ordinance is approved by the Board of Supervisors and the Mayor to lower the tax rate, from the Board's previously approved rate of \$5.00 per \$500 (\$10.00 per \$1,000) to \$3.75 per \$500 (\$7.50 per \$1,000) of property value conveyed in excess of \$250,000, then the Controller will certify a \$4.8 million increase in 1994-95 Real Property Transfer Tax revenues based on an effective date of October 1, 1994. The Budget Analyst concurs with the Controllers' revenue estimate.

**Recommendation**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 2 - File 101-94-16

1. The proposed ordinance submitted by the Mayor would amend the Fiscal Year 1994-95 Annual Appropriation Ordinance to reduce General Fund expenditures and reserves and increase the estimated 1993-94 Year End Surplus in order to reduce General Fund revenue requirements by a total amount of \$8,039,570. These budget adjustments coupled with a Mayoral veto of the proposed Real Property Transfer Tax increase would reduce the General Fund General Reserve by \$1,560,430 from \$10,560,430 to \$9.0 million as follows:

1994-95 General Fund Reserve Balance in Budget as previously approved by Board of Supervisors and Mayor		\$ 10,560,430
Reduced Revenue due to Veto of Real Property Transfer Tax Increase	(9,600,000)	
Budget Adjustments under this Proposed Ordinance	<u>8,039,570</u>	
Reduction to General Fund Reserve if this Proposed Ordinance is approved		<u>1,560,430</u>
Mayor's Proposed General Fund Reserve Balance		\$ 9,000,000

2. The Mayor proposes the following budget reductions and adjustments to offset the \$9.6 million revenue loss due to the veto of the Real Property Transfer Tax increase and thereby maintain a balanced budget (see Attachment to this report for departmental detail of this proposal):



Memo to Budget Committee  
September 23, 1994 Special Meeting of the Budget Committee

Fire Department - Reduce Uniform Salary and Fringe Benefits	\$ 1,035,743
Police Equipment	500,000
Police Uniform Overtime	500,000
Citywide Salary Savings	2,567,643
Related Fringe Benefit Savings	340,625
Facilities Maintenance and Capital Project Reductions	700,000
Juvenile Probation - New Programs	500,000
Other Overtime Reductions	395,559
Use of Additional Fiscal Year 1993-94 Yearend Surplus to Balance Budget	1,000,000
Reduction in Displacement Reserve (from \$1,000,000 to \$500,000) which has been set aside to cover vested leave for laid-off employees	<u>500,000</u>
Sub Total	\$ 8,039,570
Reduction of General Fund Reserve from \$10,560,430 to \$9,000,000	<u>1,560,430</u>
Total Funding Sources to Maintain a Balanced Budget for Fiscal Year 1994-95 Without Increasing the Real Property Transfer Tax	\$ 9,600,000

3. As shown in the Attachment to this report, the proposed ordinance would reduce Department of Public Health expenditures by \$800,000 in salaries and fringe benefits and \$42,100 in facilities maintenance and capital projects. In a recent memo to the Health Commission, the Director of Public Health suggested that the following expenditure reductions would have to be reconsidered in light of the \$800,000 proposed reduction in salaries and fringe benefits to the DPH operating budget:

<u>Mission Neighborhood Center</u> .....	\$ 101,000
Elimination of General Fund allocation	
<u>Contractual Services - Pregnant Adolescents</u> .....	126,000
These contractual services have not begun. DPH estimates that 2,200 units of counseling services will not be funded.	
<u>Public Health Nursing</u> .....	100,000
Reduced funding for three public health nursing positions for remainder of the year - approximately 2,000 home visits to 300 adults and children.	
<u>U.C. Langley Porter Hospital</u> .....	83,000
DPH Estimates that 24 children who do not qualify for Medi-Cal reimbursement will not receive hospitalization or will stay for shorter periods.	

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

## September 23, 1994 Special Meeting of the Budget Committee

Total Proposed Reduction in Services to the Department of Public Health.....	\$800,000
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4. Also potentially impacting the DPH is the proposed use of \$1.0 million in additional 1993-94 Year End Surplus to partially offset the \$9.6 million Real Property Transfer Tax revenue loss. The Controller has certified the availability of this additional surplus from total San Francisco General Hospital (SFGH) 1993-94 surplus revenues of \$2.5 million. This \$2.5 million surplus was not used as a source of funds for the Mayor's proposed 1994-95 budget because of the need to fund expenditures for furnishings and equipment in order to begin operations of the new Mental Health Skilled Nursing Facility on the SFGH campus during this fiscal year. This use of the surplus funds would therefore reduce start-up funding available for this Skilled Nursing Facility at SFGH from \$2.5 to \$1.5 million and, according to the Director of Public Health, potentially prevent the accreditation of the facility such that it would not be able to open this fiscal year. The Mayor's Office is reviewing the DPH pending supplemental appropriation request for the needed furnishings and equipment for the Skilled Nursing Facility and states, according to Ms. Theresa Lee, that reduced funding for the facility may still be adequate or, alternatively, additional surplus funds will become available after the final closeouts of the 1993-94 fiscal year.

5. The effect of other proposed budget reductions are discussed below for the major City departments.

## Police Department Reductions

The proposed reduction to Police equipment purchases (\$500,000) will effectively eliminate the acquisition of new vehicles for approximately 270 Police Officers that have been hired in 1993-94 and will be hired in 1994-95. While no significant impact will occur this year because most of the new Officers will be in training, or riding with other Officers, the addition of such vehicles will become a priority in 1995-96.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The reduction to Police Uniform overtime appropriations (\$500,000) will fund the Department at a level that is below historical spending. The Department reports that it is achieving significant savings through reductions to court overtime by implementing a recommendation of the Budget Analyst's Zero Base Budget Analysis to improve scheduling through better coordination with Municipal Court. However, savings to court overtime spending by the Police Department was to be credited to the District Attorney's Office to cover an underfunding of current D.A. expenditures (see below). Therefore, this cut of \$500,000 would reduce the amount of any savings that could be applied to the D.A. budget gap by approximately \$200,000 according to the Mayor's office.

The Mayor's proposal also includes reductions to Miscellaneous salaries and benefits for the Police Department of \$134,077. This will result in the necessity to hold an additional four non-sworn positions vacant for the remainder of the fiscal year. The Police Department states that this reduction will not impact the plans to increase and sustain staffing for 911 Communications Dispatchers.

#### Fire Department Reductions

According to a letter from Chief Medina of the Fire Department, a court order to postpone a planned Physical Abilities Test for 90 days will alter the 1994-95 hiring plan for new firefighter recruits. The Fire Department had originally planned to conduct three Fire College classes beginning in September, 1994, December, 1994 and May, 1995. The delay will result in two classes this fiscal year (beginning in January, 1995 and April, 1995), and according to the Fire Chief, result in expenditure savings of approximately \$1.0 million. The proposed ordinance reduces the Fire Department's budget by a total of \$1,088,118.

#### Juvenile Probation

The Mayor has proposed a delayed startup of two new programs, the Single Repeat Offender program and the Interim Home Supervision program, which would reduce General Fund spending by \$500,000 in 1994-95. Although Federal Grant funds will be sought for these programs, it is unlikely that such grant funding will be secured this fiscal year.

Increased salary savings requirements of \$83,564 plus fringe benefit savings will result in the delayed hiring of 14 new staff included in the 1994-95 budget for approximately six weeks to two months. This delay will increase the need for overtime spending according to the Department. However, the Mayor's proposal also includes a reduction in Juvenile Probation overtime of \$133,618 (approximately 42% of the overtime budget). Capital projects would be reduced by \$144,800.

### District Attorney

The proposed additional salary and fringe benefit savings of \$127,502 will worsen a current budget gap of \$2.0 million, according to the District Attorney's Office. Also, according to the D.A.'s Office, current spending levels have not been reduced in order to address this underfunding, based on instructions from the Mayor. As previously noted, the \$500,000 reduction to Police Overtime will reduce any potential funding that would have been applied to the D.A. through savings in court overtime expenditures.

### Controller

The Controller's budget would be reduced by \$61,713 in salaries and fringe benefits and \$51,476 in overtime (42% of the Controller's overtime budget). The Controller reports that virtually all overtime spending is required to produce the bi-weekly payroll for City employees and that this reduction will impair the Controller's ability to meet such deadlines.

### Municipal Railway

The Mayor has proposed increased salary and fringe benefit savings of \$469,793 for Miscellaneous Municipal Railway employees (Muni Transit Operators have been exempted from these proposed reductions). The Budget Analyst has requested but has not received any information from the Muni on the impact of this proposal as of the writing of this report.

However, a reduction of this amount would appear to have the affect of decreasing Muni equipment maintenance and consequently also have an impact on Muni services.

Muni capital projects would be reduced by \$46,300.

### Recreation and Park

The Mayor has proposed increased salary and fringe benefit savings of \$168,079 and reduced facilities maintenance of \$65,600. Although no layoffs are expected, the Director of Recreation and Parks states that key positions will remain unfilled, that previously approved increases in the budget for swimming pool operations will be reduced and that improvements to Mission Playground will be delayed.

### Social Services

The Mayor has proposed increased salary and fringe benefit savings of \$436,658. The DSS estimates that such a reduction could necessitate a reduction of as many as 14 funded positions, although no layoffs would likely be necessary. The impact on actual services has not been determined, although 63% of the Department's current number of vacant positions are direct service providers.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Departments Reporting to the Chief Administrative Officer

According to the Chief Administrative Officer, the proposed budget reductions will have the following impacts :

Department of Electricity (\$47,707) - reduced overtime staffing for Fire Alarm Call box system.

Medical Examiner-Coroner (\$26,092) - reduced Coroner's Investigator staffing from two to one for some shifts. Delays in completing paperwork and release of decedents to family members is anticipated.

Animal Care and Control (\$21,123) - preservation of current vacancies will continue slower response times to non-emergency calls.

Registrar of Voters (\$7,592) - could result in problems in processing absentee ballot requests and delays in validity check of ballots.

Recorder (\$8,131) - potential inability to record all documents within a specified time could reduce "additional" recording fees which bring in annual revenues of approximately \$500,000.

County Agriculture (\$4,399) - could result in lost revenue or the State could perform some required inspections and then bill the City.

Public Administrator (\$14,364) - could reduce revenue and services to elders who are not conservatees and have assets of less than \$2,000.

Department of Public Works (\$209,650) - reduced janitorial services, reduced Sunday cleaning and certain manual street cleaning routes, reduced graffiti removal and reduced preventive street maintenance.

Purchaser's Office (\$22,165) - delayed implementation of the automation project of purchasing processes.

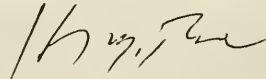
CAO's Office (\$203,011) - additional unpaid furlough days for General Fund supported employees; reduction of \$200,000 in facilities maintenance.

6. The Mayor's proposed reduction of \$700,000 to facilities maintenance and capital improvement projects will, according to the Mayor's Director of Finance, be partially offset by the use of \$300,000 in Community Development Block Grant funds.

7. The proposed reduction in salaries and fringe benefits of \$2,908,268 (not including the Fire Department reduction due to delayed hiring of a recruit class) is the equivalent of approximately 51 full time equivalent positions at an average cost per position of \$56,500.

**Recommendation**

The proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Migden  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey



# Summary of Mayor's Proposed Budget Adjustments

# Attachment

Department	Mayor's Proposed Budget Reductions					Total
	Salaries	Overtime	Fringe	FM/CIP	Other	
1 Board of Supervisors	\$16,250	\$8,400	\$2,149	\$300		\$27,099
3 City Attorney	75,268		9,950			85,218
4 District Attorney	112,614		14,888			127,502
5 Public Defender	47,185		6,238			53,423
6 Sheriff		39,000		14,500		53,500
9 Controller	54,508	51,476	7,205			113,189
11 Trial Courts				6,900		6,900
12 Juvenile Probation	83,564	133,618	11,046	144,800	500,000	873,028 (1)
13 Adult Probation	38,632	8,820	5,107			52,559
18 Ethics Commission	862		114			976
25 Mayor	16,315		2,157			18,472
26 Commission on Aging	6,596		872			7,468
28 Art Commission	2,322		307	10,000		12,629
29 City Planning	4,069	743	538			5,350
30 Civil Service	2,291		303			2,594
31 Fire	758,452		301,666	28,000		1,088,118 (2)
33 Human Resources	26,560	354	3,511			30,425
34 Human Rights Commission	5,581		738			6,319
35 Municipal Railway	414,970		54,823	46,300		516,093
36 Parking and Traffic	85,690	100,315	11,328			197,333
37 Permit Appeals	1,285	1,440	170			2,895
38 Police	118,422	500,000	15,655	16,700	500,000	1,150,777 (3)
42 Recreation and Parks	148,921		19,158	65,600		233,679
44 Retirement System	9,903	420	1,309			11,632
45 Social Services	385,673		50,985	2,600		439,258
60 Academy of Science				6,500		6,500
61 Fine Arts Museums				6,900		6,900
62 Asian Art Museum				3,400		3,400
70 Chief Administrative Officer	2,659		352	200,000		203,011
72 County Agriculture	3,465	476	458			4,399
74 Medical Examiner/Coroner	13,465	10,846	1,781			26,092
75 Electricity	20,033	23,326	2,648	1,700		47,707
76 Animal Care and Control	8,032	11,130	1,061	900		21,123
78 Recorder	6,732	509	890			8,131
79 Public Administrator/Guardian	12,687		1,677			14,364
80 Registrar	3,367	3,780	445			7,592
83 Public Health Central Office	88,324		11,676	14,800		114,800
85 Laguna Honda Hospital	88,324		11,676	24,700		124,700
86 San Francisco General Hospital	440,071		59,929			500,000
87 Comm. Mental Health Services	88,324		11,676	2,600		102,600
90 Public Works	95,257		12,593	101,800		209,650
91 Purchaser	<u>17,893</u>	<u>906</u>	<u>2,366</u>	<u>1,000</u>		22,165
99 Reserve for Displacement					<u>500,000</u>	<u>500,000</u>
<b>Totals</b>	<b>\$3,304,566</b>	<b>\$895,559</b>	<b>\$639,445</b>	<b>\$700,000</b>	<b>\$1,500,000</b>	<b>\$7,039,570</b>
<b>Other Adjustments:</b>						
Increase to 1993-94 Year End Surplus						1,000,000
Mayor's Proposed Reduction to 1994-95 General Reserve						<u>1,560,430</u>
Total Proposed Budget Adjustments						\$9,600,000

(1) Includes \$500,000 reduction to professional services for new programs

(2) Includes \$1.035 million reduction to Firefighter salaries and fringe benefits

(3) Includes \$500,00 reduction in Uniform overtime and \$500,000 reduction to equipment purchase

**Board of Supervisors - Budget Analyst**

07  
44

BOARD of SUPERVISORS



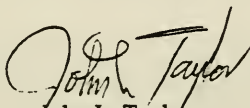
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September 22, 1994

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NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Budget Committee for September 28, 1994 at 1:00 p.m., has been cancelled.

The next regular meeting of the Budget Committee will be held on Wednesday, October 5, 1994, at 1:00 p.m., in the Room 228, City Hall.

  
John L. Taylor  
Clerk of the Board

BUDGET COMMITTEE  
BOARD OF SUPERVISORS  
ROOM 235, CITY HALL  
SAN FRANCISCO, CA 94102

IMPORTANT HEARING NOTICE

S90.07  
#2  
10/15/94

114 CALENDAR 000 ACTION TAX N  
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BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, OCTOBER 5, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 124-94-10. [Administrative Fee - Towing of Vehicles] Resolution approving a fee of One Hundred Fifty Dollars (\$150.00) proposed by the Chief of Police to reimburse the Police Department for removal of vehicles impounded as part of an enforcement program funded by a grant from the Office of Traffic Safety as specified in Traffic Code Section 170.2A. (Also see File 124-94-8.) (Police Commission)  
(Continued from 9/14)

ACTION: Amended to reflect Budget Analyst recommendations (see file for details). New title: "Resolution approving a fee of One Hundred Fifty Dollars (\$150.00) proposed by the Chief of Police to reimburse the Police Department for removal of vehicles impounded as part of an enforcement program funded by a grant from the Office of Traffic Safety as specified in Traffic Code Section 170.2A; and providing for annual review by Board of Supervisors and possible adjustment of this fee." RECOMMENDED AS AMENDED.

2. File 97-94-32. [Budget Review Mission and Goal Statement] Ordinance amending Administrative Code by amending Section 3.17-1 to require each City department and agency to relate its budget review justifications to its mission and goals statement and three-year program priority assessment and phasing in requirements over three years. (Supervisors Kaufman, Shelley, Migden, Leal, Kennedy, Conroy)

ACTION: Consideration continued to October 19, 1994.

3. File 97-94-33. [Mission and Goals Statement] Ordinance amending Administrative Code by adding Section 3.18. (Supervisors Kaufman, Shelley, Migden, Leal, Kennedy, Conroy)

ACTION: Consideration continued to October 19, 1994.

4. File 101-94-14. [Appropriation, Bond Issuance Costs, \$310,000] Ordinance appropriating \$310,000, Offices of the Chief Administrative Officer, City Attorney and Controller, from various bond fund proceeds (1989 and 1990 Earthquake Safety Bonds, 1992 Fire Facility Improvement Bonds and 1994 School Bonds) for bond issuance costs for fiscal year 1994-95. RO #94047 (Controller)

ACTION: RECOMMENDED.

5. File 168-94-1.1. ["Open Space" Acquisition, Mullen/Peralta Property] Resolution authorizing purchase agreement for acquisition of real property located in Bernal Heights generally described as the Mullen Peralta site, identified as City and County of San Francisco Assessor's Block 5538, Lots 14, 23, and 28 for open space purposes and adopting findings pursuant to City Planning Code Section 101.1. (Also see File 168-94-1, Resolution No. 247-94.) (Supervisors Hsieh, Bierman)

ACTION: RECOMMENDED. (Supervisors Hsieh, Bierman as sponsors)

6. File 161-94-4.1. [Redevelopment Agency Budget Amendment] Resolution approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1994-95. (Also see File 161-94-4, Resolution No. 649-94.) (Supervisor Alioto)

ACTION: Amended to reflect Budget Analyst recommendations (see file for details). Same title. RECOMMENDED AS AMENDED. (Supervisor Alioto added as sponsor)

7. File 47-94-13. [New Parking Rates, Civic Center Garage] Resolution approving new parking rates at the Civic Center Garage. (Department of Parking and Traffic)

ACTION: Consideration continued to October 12, 1994.

8. File 165-94-4.1. [Tax Collector] Motion directing the Budget Analyst to provide information to the Board regarding lost revenue caused by the Tax Collector's failure to collect license and permit fees. (Supervisors Conroy, Alioto, Kennedy, Maher, Hallinan, Shelley)

ACTION: Consideration continued to October 12, 1994.

9. File 101-94-15. [Appropriation, Public Library] Ordinance appropriating \$2,100,000 from 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency for new main library, branch library improvement - Chinatown renovations) for the Public Library for fiscal year 1994-95. (Supervisor Hsieh, Alioto, Bierman)  
(Continued from 9/21)

ACTION: Amended by deleting \$400,000 related to new main library construction contingency fund. New title: "Ordinance appropriating \$1,700,000 from 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency for branch library improvement - Chinatown renovations) for the Public Library for fiscal year 1994-95. RECOMMENDED AS AMENDED.

CLOSED SESSION: The Budget Committee of the Board of Supervisors may convene in closed session to confer with and receive advise from the City Attorney's Office on this item on the grounds that significant exposure to litigation exists pursuant to Government Code Section 54956.9(b) (1) (A) and that discussion of the matter in open session would prejudice the position of the City.

The Budget Committee of the Board of Supervisors may find that it is in the best interest of the City not to disclose any information revealed in its closed session deliberations regarding this matter at this time and may move not to disclose any information at this time.



CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

October 3, 1994

**TO:** Budget Committee

**FROM:** Budget Analyst

**SUBJECT:** October 5, 1994 Budget Committee Meeting

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Item 1 - File 124-94-10

**Note:** This item was continued by the Budget Committee at its meeting of September 14, 1994.

**Department:** Police Department

**Item:** Resolution approving a fee of \$150, as proposed by the Chief of Police, to reimburse the Police Department for the removal of vehicles impounded as part of an enforcement program (Traffic Offender Program) funded by a grant from the Office of Traffic Safety, as specified in Traffic Code Section 170.2A.

**Description:** In July of 1994, the Board of Supervisors approved an ordinance to amend the San Francisco Traffic Code by adding Sections 170.2-A and 170.2-B, which requires the payment of an administrative fee to the Police Department by vehicle owners for the towing and impoundment of vehicles that are removed under the following circumstances, in accordance with California Vehicle Code Sections 22651 (h) and (p), 22655.5 and 22850.5.

- The driver is arrested and taken into custody; or
- The person is driving with a suspended or revoked driver's license; or

- Probable cause exists to believe that the motor vehicle was used to commit a public offense or is evidence in a crime.

Section 170.2-A of the Traffic Code authorizes the Chief of Police to impose an administrative fee on the owner of a vehicle which is towed under the foregoing circumstances. The Police Department reports that it has reviewed the actual costs to the Police Department of such tows and has determined that these costs are approximately \$162.50 per vehicle towed. The Attachment is a schedule prepared by the Police Department to support this \$162.50 cost estimate. However, the Police Department is requesting a \$150 per vehicle administrative fee since the Police Department believes that \$150 per vehicle towed would generate sufficient revenues to pay the costs of the Traffic Offender Program (See discussion below). According to the Police Department, approximately 2,000 vehicles are towed annually under the circumstances described above. Thus the proposed \$150 administrative fee would produce estimated annual revenues to the City of approximately \$300,000.

Pursuant to Traffic Code Section 170.2-B, the revenues from the proposed administrative fee would be deposited in the Traffic Offender Fund and could only be expended on the Traffic Offender Program. Expenditures of the Traffic Offender Program would include the purchase of equipment, contractual services, materials and supplies, other technologies necessary for the prosecution of persons violating the California Vehicle Code, and personnel costs, including the salaries and fringe benefits for a Deputy District Attorney and a part-time law clerk exclusively devoted to the Program. The purpose of the Traffic Offender Program is to enhance enforcement of the California Vehicle Code by educating Police Officers on the provisions of the Vehicle Code so that they can more easily charge drivers with the appropriate offenses, thereby facilitating the prosecution by the District Attorney's Office of persons with suspended or revoked driving privileges, unlicensed drivers, and persons driving under the influence of alcohol or drugs. According to Officer Michael Lujan of the Police Department, in addition to the proposed \$150 administrative fee, the Traffic Offender Program will generate revenues to the City in the form of additional fines, such as fines for driving with a suspended or revoked driving license and for other traffic violations, resulting from the increased number of cases prosecuted by the District Attorney. Officer Lujan advises that the amount of such additional annual fine revenues cannot be estimated at this time.

The Police Department has applied for a grant in the amount of \$331,994 from the California Office of Traffic Safety which is expected to cover a portion of the costs of the Traffic Offender Program from October 1, 1994 through December 31, 1996. Beginning on January 1, 1997, the Traffic Offender Program will be funded completely by the Traffic Offender Fund. Section 170.2-B of the Traffic Code provides that all expenditures made from this Fund will be subject to appropriation approval by the Board of Supervisors in the Police Department's annual budget. Section 170.2-B further provides that the balance of the Traffic Offender Fund at the end of any fiscal year will be carried forward and accumulated for the next fiscal year's Program.

According to Captain Jack Gleeson of the Police Department, the State Office of Traffic Safety mandates that the City impose the proposed towing administrative fee as a prerequisite to receiving the previously mentioned grant funds, so that the City can accumulate sufficient towing administrative fee revenues in order to operate the Traffic Offender Program once the grant funding terminates. The Police Department expects to receive the State grant, which has already been approved by the Board of Supervisors, upon the approval of the proposed resolution. Officer David Ambrose of the Police Department advises that the Traffic Offender Program began on October 1, 1994 and that the costs of the Program are being absorbed by the Police Department's FY 1994-95 budget until the grant funding becomes available.

According to the Police Department, the costs of the Traffic Offender Program are estimated as follows:

Table I

	<u>27-Month Grant Period</u>			Annual Costs Starting 1/1/97 Subsequent to Termination of Grant
	<u>10/1/94 through 9/30/95</u>	<u>10/1/95 through 9/30/96</u>	<u>10/31/96 through 12/31/96</u>	
<u>Personnel</u>				
*Deputy District Attorney	\$76,891	\$80,727	\$20,182	\$80,727
*Fringe Benefits for Deputy District Attorney (23.3%)	17,895	18,785	4,696	18,785
*District Attorney Overtime (154 hours @ \$59.99/hour)	0	0	0	9,226
*Student Intern	10,483	11,262	2,816	11,262
Funds set aside to pay District Attorney costs starting 1/1/97	60,000	60,000	0	0
*Police Overtime for 24 Traffic Safety Operations per year (3,840 hours @ \$40.893/hour)	157,029	157,029	39,257	157,029
*Police Overtime for training and video production (104 hours @ \$40.893/hour)	4,250	0	0	0
Subtotal - Personnel	\$326,548	\$327,803	\$66,951	\$277,029

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Budget Committee  
October 5, 1994

	<u>27-Month Grant Period</u>			<u>Starting 1/1/97</u>
	<u>10/1/94</u> <u>through</u> <u>9/30/95</u>	<u>10/1/95</u> <u>through</u> <u>9/30/96</u>	<u>10/31/96</u> <u>through</u> <u>12/31/96</u>	<u>Subsequent to</u> <u>Termination</u> <u>of Grant</u>
<u>Operating Expenses</u>				
*Travel (Room and board, airfare and conference fees for 2 staff to attend State-mandated conference in San Diego)	\$3,000	\$3,000	\$0	\$0
*Computer Workstations	8,000	0	0	0
*Software	5,000	0	0	0
*FAX Machine	750	0	0	0
Motorcycle radios with built-in cellular phones (12 radios per year over 5 years @ \$4,000 per radio) in order to confirm revoked or suspended driver's license on Traffic Offender Program				
Office's computer	48,000	48,000	0	48,000
Cellular phone and FAX machine service and maintenance costs	12,000	12,000	3,000	12,000
*Publicity, education and training items	10,000	3,000	1,000	0
*Printing & Postage	4,000	1,000	500	0
*Telephone line installation and use	4,000	1,000	500	0
Other Direct Costs including publications and flyers, office supplies, computer and FAX machine supplies, administrative towing fee forms, DMV-certified Drivers license printouts, legal forms and District Attorney costs and additional software	20,000	20,000	5,000	20,000
Remodeling of Traffic Offender Program Office to accommodate additional computer workstations and computer furniture.				
Estimate includes cost of carpeting, furniture and of moving walls	28,000	0	0	0
Towing and Storage Fee Reimbursement Fund	<u>24,000</u>	<u>24,000</u>	<u>6,000</u>	<u>24,000</u>
Subtotal - Operating Expenses	<u>\$166,750</u>	<u>\$112,000</u>	<u>\$16,000</u>	<u>\$104,500</u>
 TOTAL COSTS	 \$493,298	 \$439,803	 \$82,951	 \$381,529
 Less Grant Funding**	 <u>(183,526)</u>	 <u>(118,774)</u>	 <u>(29,694)</u>	 <u>0</u>
 Balance to be Funded by Traffic Offender Fund	 <u>\$309,772</u>	 <u>\$321,029</u>	 <u>\$53,257</u>	 <u>\$381,529</u>

\* These items would be either partially or fully funded by the grant from the State Office of Traffic Safety for the first 27 months of the Traffic Offender Program (from October 1, 1994 through December 31, 1996). The remaining non-asterisked items would not be funded with grant money but with administrative towing fee revenues. Starting in 1997, all of the above costs of the Traffic Offender Program would be paid for only with administrative towing fee revenues.

\*\* Total grant funding is \$331,994.

Captain Gleeson advises that in order to have sufficient funding for the positions to be included in the District Attorney's Office for 1997, after the termination of the State grant, the Police Department would set aside \$60,000 per year in the first two years of the Traffic Offender Program. The Budget Analyst notes that a total of \$120,000, including \$80,727 for the salary of the Deputy District Attorney, \$18,785 for fringe benefits, \$9,226 for overtime and \$11,262 for the wages of the Student Intern, has been allocated for the positions in the District Attorney's Office for 1997 under the anticipated annual budget (See Comment No. 2).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



According to the Police Department, the Traffic Offender Program is required to have a minimum of one Traffic Safety Operation (TSO) per month. A Traffic Safety Operation would consist of targeted traffic enforcement, in which the Police Department would set up checkpoints throughout the City in order to stop motorists and check for compliance with safety belt, childseat and drunk driving laws, vehicle mechanical failures, or revoked or suspended driving privileges. While the State grant is paying for six TSOs, the City must provide funding for each monthly TSO after the first six months of the Traffic Offender Program. Each TSO is estimated to cost approximately \$6,543 for 160 hours of Police Officer overtime at \$40.893 per hour, or approximately \$78,515 for the minimum 12 TSOs per year.

Captain Gleeson advises that in addition to the one TSO per month that the Police Department is required to conduct under the Traffic Offender Program, the Police Department believes it would be highly desirable to conduct a second TSO per month as a training operation in order to provide further training Police Officers concerning the procedures required in citing drivers with suspended or revoked drivers licenses and in towing their vehicles. As noted above, one additional TSO per month would result in additional costs of \$78,515 per year, for a total of \$157,029 per year for 24 TSOs. According to Officer Robert Mattox of the Police Department, the extra 12 TSOs per year would generate revenues to the City in the form of additional administrative towing fees, traffic citations, and fines resulting from the District Attorney's prosecution of drivers with suspended or revoked driving privileges and other traffic violations. However, Officer Mattox advises that the amount of such additional towing fee, traffic citation and fine revenues for these extra 12 TSOs per year cannot be estimated at this time.

According to Mr. Ted Lakey of the City Attorney's Office, the Police Department will be liable for the costs of towing and storing vehicles in cases in which the Court orders the Police Department to reimburse any towing fees and storage charges incurred by the vehicle owner. Captain Gleeson advises that the Court could order the Police Department to reimburse such fees and charges in cases in which the vehicle owner protested the tow in court and won, or in which the District Attorney was unable to obtain a conviction against the vehicle owner for revoked or suspended driving privileges or some other traffic violation. Based on an estimate provided by the Santa Rosa Police Department, which is the only other city in the Bay Area with a Traffic Offender



Program, the Police Department estimates that it would need to establish a towing and storage charge reimbursement fund in the amount of \$24,000 per year in order to reimburse administrative towing fees and vehicle storage charges to vehicle owners who are entitled to the reimbursement of such fees and charges as a result of a Court order.

**Comments:**

1. Owners of vehicles towed for any reason, including illegal parking or driving with a revoked or suspended driver's license, are required to pay \$120 in order to retrieve their vehicles at the City Tow facility, located at 1475 Mission Street. Of this \$120 per vehicle fee, City Tow pays \$45 to the City's General Fund, which includes \$30 for the administrative costs of the Department of Parking and Traffic (DPT) and a \$15 towed vehicle fee, which accrues to the General Fund. City Tow retains the remaining \$75.

The proposed administrative fee of \$150 per vehicle, which would be deposited in the Traffic Offender Fund, would be in addition to the \$120 towing fee currently charged for the retrieval of one's vehicle, but would only be charged if the driver was arrested, the person was driving with a revoked or suspended driver's license, or the vehicle is evidence in a crime, in accordance with the California Vehicle Code. Thus, a person whose vehicle was towed because he or she was arrested, was driving with a revoked or suspended driver's license or was driving a vehicle which is evidence in a crime, would pay \$270 (\$120 as the base towing fee plus the \$150 Traffic Offender Program fee). The \$270 in towing fees would be allocated as follows:

	Base Towing Fee	Proposed Administrative Towing Fee	Total
City Tow	\$75	\$0	\$75
DPT Administration	30	0	30
General Fund	15	0	15
Traffic Offender Fund	<u>0</u>	<u>150</u>	<u>150</u>
Total	\$120	\$150	\$270

2. As previously noted, the Traffic Offender Program will be funded partially by grant funds and partially funded by administrative towing fee revenues between October 1, 1994 and December 31, 1996, and will be funded exclusively by administrative towing fee revenues thereafter. According to Mr. John Madden of the Controller's Office, in order for the

Controller to certify the availability of administrative towing fee revenues for future expenditures, the Traffic Offender Program must have demonstrated that the administrative fee is able to generate sufficient revenues to pay for the Program's costs.

As reflected in Table I above, the first-year costs of the Traffic Offender Program to be funded by administrative towing fee revenues are \$309,772. Based on the Police Department's estimate that it would tow approximately 2,000 vehicles per year under the Traffic Offender Program, the administrative towing fee that would enable the Program to cover the \$309,772 in costs to be funded from the fee would be approximately \$155 per towed vehicle. However, the Police Department believes that the proposed \$150 administrative towing fee should be sufficient to cover its costs, including the funds set aside for the District Attorney's Office.

3. Given that the actual costs of the Traffic Offender Program will vary from year to year and that grant funding will decline and eventually terminate after December 31, 1996, the Budget Analyst believes that the Board of Supervisors should, on an annual basis, examine the revenues generated by the administrative towing fee and the actual costs of the Traffic Offender Program in order to determine whether the fee should be adjusted.

- Recommendations:**
1. Amend the proposed resolution by adding a provision that would authorize the Board of Supervisors to review the administrative towing fee each year and to adjust the fee accordingly in order to reflect the actual revenues generated by the administrative towing fee and the actual costs of the Traffic Offender Program.
  2. Approval of the proposed resolution, as amended, which would increase the towing fee by \$150 or from \$120 to \$270, for drivers who are either arrested or driving with a suspended or revoked driver's license, or are driving a vehicle that is evidence in a crime, is a policy matter for the Board of Supervisors.

We estimate that approx. 2,000 vehicles per year will have the administrative fee imposed upon their release. The cost justification is as below:

1. Officer(s) Stop, Cite or Arrest, Tow Vehicle and Standby, Fill out forms	
2 Man Car -1 hour at \$42.73 hr ( fully benefited) = \$85.46	
1 Man Car - 1 hour at \$42.73 hr ( fully benefited) = \$42.73	Ave. \$64.10
2. Police Dispatcher – 30 minutes at \$29.44	\$14.72
3. Police Officers dedicated to the Traffic Offender Program, tracking and issuing releases for vehicles subject to the Administrative Fee	
Total Wages for 2 Officers/ # of Tows ( approx. 4,000)	\$36.50
4. Clerk Typist, - typing and filing of Notice of Towed Vehicles, DMV Checks	
45 minutes at \$23.00 hr (benefited)	\$17.25
5. Police Reimbursed Storage Costs	
Yearly Cost- \$48,000/ # of Tows	
\$48,000/ 4,000=	\$12.00
6. Tow Hearing Officer, Hears complaints about illegally towed cars and issues towing and storage reimbursements to qualified applicants	
3 hrs day at \$73,000 yearly benefited salary/ # of tows	\$6.84
7. Police Supervisor, approval of tows and paperwork,	
5 minutes at \$47.00 hr(benefited)	\$3.92
8. Permit Bureau- Issued Admin. Fee Receipt	
10 minutes at \$42.73 hr(benefited)	\$7.12
9. Cost of forms and misc.	\$0.50
Total Costs	\$162.50

Items 2 and 3 - Files 97-94-32 and 97-94-33

**Department:** Mayor's Office  
Board of Supervisors

- Items:**
1. Ordinance (File 97-94-32) amending the Administrative Code by amending Section 3.17-1 to require each City department and agency to relate its budget review justifications to (a) its mission and goals statement and (b) its three-year program priority assessment and phasing in such requirements over three years.
  2. Ordinance (File 97-94-33) amending the Administrative Code by adding Section 3.18.

**Description:** In June, 1994, the San Francisco voters approved Proposition G which requires that the City's "line-item" budget be replaced with a "mission-driven" budget. Under Proposition G, each department must spell out its goals and organize its budget according to those goals. For each goal, the department is required to spell out what it will do to meet that goal, whom it expects to serve and how much it will cost. The budget will also include an evaluation of the department's performance in the year before.

According to Proposition G, each Department shall provide the Mayor and the Board of Supervisors with the following details regarding its budget:

- a) the overall mission and goals of the department.
- b) the specific programs and activities conducted by the department to accomplish its mission and goals.
- c) the customer(s) or client(s) served by the department.
- d) the service outcome desired by the customer(s) or client(s) of the department's programs and activities.
- e) strategic plans that guide each program or activity.
- f) productivity goals that measure progress toward strategic plans.
- g) the total cost of carrying out each program or activity.
- h) the extent to which the department achieved, exceeded, or failed to meet its missions, goals, productivity objectives, service objectives, strategic plans and spending

constraints identified in subsections a through f during the prior year.

The proposed ordinance (File 97-94-32) would also require departments to specifically respond to how the department's proposed budget is consistent with the department's "Three-Year Program Priority Assessment and Mission and Goals Statement." This requirement was not part of Proposition G.

In accordance with Proposition G, the proposed ordinance (File 97-94-32) would be implemented in the following three phases, over three years, with the Mayor to be responsible for identifying one-third of the City's departments which would be required to have a "mission-driven" budget for each of the three years (See Comment #1).

- Phase 1 Departments (beginning for FY 1995-96): Police Department, Fire Department, Sheriff, Public Utilities (Water Department and Hetch-Hetchy), Airport, Superior and Municipal Courts (Trial Courts), Adult Probation, District Attorney, Public Defender and Redevelopment Agency.
- Phase 2 Departments (beginning for FY 1996-97): Public Health Department, Department of Social Services, Public Transportation, Parking and Traffic, Port, Public Works and the Recreation and Park Department.
- Phase 3 Departments (beginning for FY 1997-98): All other departments not specified as Phase 1 or Phase 2 departments.

In addition to implementing Proposition G, the proposed ordinances (Files 97-94-32 and 97-94-33) would require departments to submit three-year long-range budgetary planning information to the Mayor and the Board of Supervisors, which was not required under proposition G. Specifically, the proposed ordinance (File 97-94-33) would add Section 3.18 of the Administrative Code, requiring the following activities:

- 1) Each City Department must develop long-term departmental and agency budget planning-setting goals and strategies, including developing an annual mission and goals statement for developing its budget estimate for the next fiscal year, to be submitted to the Mayor no later than January 1. The Mayor would be required to review each department's mission and goals statement, and the Board of Supervisors would consider these mission and

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



goals statement as part of the annual budgetary process. This mission and goals statement also would require departments to submit additional information that has not been required under Proposition G, such as specifying how the department plans to foster its successes and remedy its deficiencies. In addition, the proposed ordinance (File 97-94-33) would require the Mayor to prepare a written statement of the City's missions and goals, which also reports the City's success in meeting those standards. The Board of Supervisors would consider these mission and goals statements, as well as the City's overall mission and goals statement as part of the annual budgetary process.

- 2) Each City Department would be required to develop a "Three-Year Priority Assessment" of governmental programs and services, by annually evaluating the importance of all programs and services within its jurisdictions, and ranking them in writing from "most essential to least essential". This ranking of all programs must be submitted to the Mayor by January 1. The Mayor would be required to review each department's priority assessment and report in writing how it conforms or contrasts with the City's budget, and the Board of Supervisors would consider these assessments as part of the annual budgetary process.
- 3) Each City Department would be required to develop a "Three-Year Budget Plan" that projects revenues and expenditures for the next three years. This three-year plan must be submitted to the Controller no later than January 1. The Controller would consolidate these budget plans and transmit them to the Mayor no later than April 15. The Mayor then would review the budget plans, and report in writing how it conforms or contrasts with the City's budget. The Board of Supervisors would consider these budget plans as part of the annual budgetary process.

**Comments:**

1. Ms. Teresa Serata of the Mayor's Office has provided the attached copy of a memo from the Mayor which has been transmitted to all departments requesting that the following (Phase 1) departments submit a "mission-driven" budget by February 1, 1995 for FY 1995-96:

District Attorney	Port*
Sheriff	Public Library*
Treasurer/Tax Collector*	Recreation and Park*
Trial Courts	Water Department
Ethics*	Telecommunications*
Mayor*	Community Health*
Commission on Aging*	Laguna Honda*
San Francisco General Hospital*	Municipal Railway*
Police Department	Mental Health*
Purchaser*	

\*Although all of these Phase 1 departments are to submit a "mission driven" budget by February 1, 1995, those 14 departments identified with an asterisk have not been listed in the proposed ordinance (File 97-94-32).

In addition, six other departments which have been listed in the proposed ordinance (File 97-94-32) should be deleted from the ordinance because such departments were not designated as Phase 1 departments by the Mayor. The designated departments that should be deleted are the Fire Department, Adult Probation, Juvenile Probation, the Public Defender, the Redevelopment Agency and Hetch Hetchy. Therefore, the proposed ordinance (File 97-94-32) should be amended to include only those departments (Phase 1) designated by the Mayor as required to comply with Proposition G for FY 1995-96.

2. In addition, Ms. Serata indicates that the Mayor's Office would also assist departments with developing clearly defined mission and goal statements, and is currently developing a method to incorporate these missions and goals into the financial reporting system of the Controller's Office.

3. The Controller has determined that the Charter Amendment (Proposition G) in and of itself should not affect the cost of government. According to Ms. Serata, because the proposed ordinances (Files 97-94-32 and 97-94-33) would also require departments to respond to how their proposed budget is consistent with a "Three-Year Program Priority Assessment" and require developing a "Three-Year Budget Plan" which were not required under Proposition G, there may be some additional time expended or costs incurred for activities at the department level. Mr. John Madden of the Controller's Office also reports that more departmental staff time would have to be spent developing the "Three-Year Program Priority Assessment" and "Three-Year Budget Plan." Such departmental costs, if any, associated with the

proposed ordinances (Files 97-94-32 and 97-94-33) have not yet been estimated.

4. The aforementioned memo from the Mayor (Attachment) regarding "mission-driven" budgeting does not request that departments comply with the "Three-Year Program Priority Assessment" or the "Three-Year Budget Plan" As noted, requiring departments to complete a Three-Year Program Priority Assessment and Budget Plan is part of the proposed ordinances (Files 97-94-32 and 97-94-33), but not part of the provisions of Proposition G.

5. Proposition G further states "Within thirty days of the Controller's issuance of the combined annual financial report of the City and County of San Francisco, the Controller shall report to the Mayor and the Board of Supervisors regarding the extent to which each department has succeeded in the prior fiscal year in achieving savings measured by the difference between projected and experienced expenditures and the extent to which each department in the prior fiscal year has recovered additional revenues measured by the difference between projected and experienced revenues. The people of the City and County of San Francisco declare that it shall be City policy to encourage the Mayor and the Board of Supervisors, upon receipt of this report, through the supplemental appropriation process to give serious consideration to rewarding those departments that the Controller has certified pursuant to this section exceeded their revenue goals or met or exceeded departmental operational goals expending less than had been projected in the budget."

**Recommendations:** 1. Amend the proposed ordinance (File 97-94-32) to indicate those Phase 1 departments designated by the Mayor, which are required to comply with Proposition G in FY 1995-96 (See Comment #1). Those 14 departments that should be added to the proposed ordinance (File 97-94-32) are as follows:

Treasurer/Tax Collector	Port
Ethics	Public Library
Mayor	Recreation and Park
Commission on Aging	Telecommunications
Municipal Railway	Community Health
Purchaser	Laguna Honda
San Francisco General Hospital	Mental Health

Those six departments that should be deleted from the proposed ordinance (File 97-94-32) because such departments were not designated by the Mayor as Phase 1 departments, are as follows:

Fire Department  
Adult Probation  
Juvenile Probation  
Hetch Hetchy

Public Defender  
Redevelopment Agency

2. Based on the prior policy decision of the Board of Supervisors and in accordance with approval of Proposition G by the San Francisco electorate, approve those sections of the proposed ordinance (File 97-94-32) consistent with Proposition G, as amended.

3. Approval of the sections of the proposed ordinance (File 97-94-32) requiring departments to submit a "Three-Year Program Priority Assessment" and approval of the proposed ordinance (File 97-94-33) requiring departments to submit additional three-year planning information, provisions which were not requirements of Proposition G, are policy matters for the Board of Supervisors.

Office of the Mayor  
SAN FRANCISCO



FRANK M. JORDAN

September 21, 1994

Department Heads  
City and County of San Francisco

Dear Department Heads:

This past June, voters approved Proposition G, the Mission Driven Budgeting Amendment (full text attached). The City charter now requires the Mayor to identify the City departments to begin Mission Driven Budgeting next year. Therefore, this letter is to inform you that I have selected the following departments to begin Mission Driven Budgeting with the FY 1995-96 budget:

- |                              |                            |
|------------------------------|----------------------------|
| (04) District Attorney       | (39) Port                  |
| (06) Sheriff                 | (41) Library               |
| (08) Treasurer/Tax Collector | (42) Recreation and Park   |
| (12) Trial Courts            | (47) Water                 |
| (18) Ethics                  | (75) Telecommunications    |
| (25) Mayor                   | (83) Community Health      |
| (26) Commission on Aging     | (85) Laguna Honda          |
| (27) Airport                 | (86) San Francisco General |
| (35) Muni                    | (87) Mental Health         |
| (38) Police                  | (91) Purchaser             |

Although at minimum one-third of City departments are mandated to implement Mission Driven Budgeting this year, all other departments are invited to participate during the FY 1995-96 budget cycle.

The Mission Driven Budget process represents a singular opportunity to improve San Francisco's budget process. We will shift our focus from the annual incremental change in expenditure line items to the overall mission of the department, the specific programs that enable a department to accomplish its goals, the inputs used to accomplish a program's work program, the outcomes or end results accomplished and the sources of funds used to complete this work.

I believe the requirements of Mission Driven Budgeting will easily fit into the Program Budget format that was prepared by each department for the FY 1994-95 budget. To fully comply with the intent of the new law, the information in the Program Budget will need to be reviewed, refined and improved.

200 CITY HALL, SAN FRANCISCO, CALIFORNIA 94102

(415) 334-6141

RECYCLED PAPER



Mission Driven Budgeting  
Page Two

In my view, four elements of the program budget are critical to the City's successful transition to Mission Driven Budgeting:

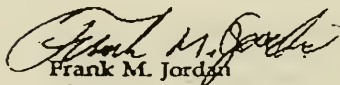
- Clear program definition: All departments should review, and as necessary rethink, the appropriate program breakdown of overall functions. Proper program definition in the next few months is critical in order to develop a consistent format with the Controller's new on-line FAMIS accounting system.
- Meaningful performance measures: Numerous and quantifiable performance measures should accurately identify all program outcomes.
- Strategic Plans: A clear strategic plan describing the methods for achieving program goals must be developed.
- Accurate budget numbers: Expenditure, revenue and position figures must accurately reflect each program's components.

I have instructed my budget staff in cooperation with the Controller to work closely with all City Departments to help refine and improve these program budgets.

Every department is invited to send a representative to a planning meeting on Thursday October 13 from 1 - 3 p.m. in room 300, 101 Grove Street. All participating departments are requested to send their Budget Officer to this meeting where we will further detail the process to complete the mission driven budget as well as get each department's ideas and suggestions on its implementation. Individual and group follow-up training sessions will be conducted as required. Please contact your budget analyst directly if you have any questions and to confirm attendance at the planning meeting.

The Mission Driven Budgeting amendment provides a unique opportunity for San Francisco to rethink and reinvent its budget process. I want to thank all of you for your efforts to make it a success.

Sincerely,



Frank M. Jordan  
Mayor

cc: Department Budget Officers

FMJ:jm

Item 4 - File 101-94-14

**Department:** Chief Administrative Officer (CAO)  
City Attorney  
Controller

**Item:** Supplemental appropriation ordinance for bond issuance costs for Fiscal Year 1994-95.

**Amount:** \$310,000

**Source of Funds:**

1989 Earthquake Safety Bonds	\$31,000
1990 Earthquake Safety Bonds	78,000
1992 Fire Facility Improvement Bonds	53,000
1994 School Bonds	<u>148,000</u>
<b>Total</b>	<b>\$310,000</b>

**Description:** The proposed supplemental appropriation ordinance would provide funding for bond issuance costs, including bond counsel costs, costs incurred by the CAO for general oversight and other directly related bond issuance costs. State law allows up to two percent of a bond sale to be used to fund issuance costs. The proposed supplemental appropriation ordinance for \$310,000 would represent approximately .5 percent of the total sale of \$62.3 million in previously authorized bonds to be used for bond issuance costs. The proposed funds would be allocated as follows:

<u>Department</u>	<u>Amount</u>
CAO's Office	\$181,500
City Attorney	122,000
Controller	<u>6,500</u>
<b>Total</b>	<b>\$310,000</b>

**Comments:** 1. According to Ms. Laura Wagner-Lockwood of the CAO's Office, the proposed supplemental appropriation ordinance would provide funding for City personnel costs and other costs related to conducting activities, such as drafting the official bond statement, meeting with rating agencies and various other activities related to the bond issuances. Specifically, the \$181,500 budgeted for the CAO's Office would provide funding for the following:

<u>Financial Consultants</u>	
Public Financial Management	\$30,000
Kitahata & Co. (MBE)	20,000

Printing costs, telephone and other related expenses.	\$5,000
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<u>Rating Agency Fees</u>	60,000
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Required fees for bond rating agencies such as Standard & Poor's, Moody's Investor Services and Fitch Investor Services.

<u>Printing of Preliminary Official Statement and Official Statement</u>	15,000
--	--------

Expenses related to taking bids, and mailing and distribution expenses for prospective bond buyers.

<u>Advertising</u>	5,000
--------------------	-------

Expenses for placing a notice of intent to sell the bonds in the *San Francisco Examiner* and for advertising in the *Bond Buyer* periodical.

<u>CAO's Office Reimbursement</u> Director of Public Finance (@ \$56 per hour for approximately 170 hours)	9,532
---	-------

Special Assistant (@ \$28 per hour for 136 hours)	3,813
---	-------

Debt Management Specialist - Personal Services Contract with Stephanie Carlisle. Hourly rate is @ \$35 hour for 708 hours.	24,785
---	--------

Other Related Office Expenses	<u>8,370</u>
-------------------------------	--------------

Total CAO's Office	\$181,500
--------------------	-----------

Ms. Wagner-Lockwood reports that the average hourly rate for Public Financial Management is between \$120 to \$180 an hour. The proposed supplemental appropriation ordinance would fund an estimated 200 hours of financial advisory services. Ms. Wagner-Lockwood further reports that the average hourly rate for Kitahata & Co. is \$120, and the proposed supplemental appropriation ordinance would fund an estimated 167 hours of service.

2. Ms. Wagner-Lockwood states that the \$122,000 budgeted for the City Attorney's Office would be used as follows:

<u>Bond Counsel</u> Lofton, DeLancie & Nelson (MBE)	\$20,000
--	----------

Brown and Wood (not an MBE/WBE firm)	20,000
Joint Venture of O'Melveny and Myers/ Chew & Chung (MBE)	50,000
Joint Venture of O'Melveny and Myers/ Pamela S. Jue (MBE/WBE)	<u>20,000</u>
Total Bond Counsel	\$110,000
City Attorney Staff Costs	<u>12,000</u>
Total City Attorney Costs	\$122,000

Ms. Wagner-Lockwood reports that the Bond Counsels are paid a flat fee of \$50,000 for the first bond sale (e.g. School District bonds), and a \$20,000 flat fee for the three other bond sales. Chew & Chung would receive \$17,500 or 35 percent of the \$50,000 flat fee, and Pamela S. Jue would receive \$7,000 of the \$20,000 flat fees as joint venture participants with O'Melveny and Myers (or 35 percent of the flat fees). The City Attorney's Office will also provide legal services at a cost of \$12,000, based on an average hourly rate of \$90 for 133 hours.

3. According to Ms. Teresa Chow of the Controller's Office, the \$6,500 budgeted for the Controller's Office would reimburse the Controller for approximately \$2,200 for direct staff time, and \$4,300 would be used to recover a portion of the printing costs associated with the production of the annual financial statements that will be incorporated into the bond sale official statements.

**Recommendation:** Approve the proposed ordinance.





Item 5 - File 168-94-1.1

- Departments:** Real Estate Department  
Recreation and Park Department
- Item:** Resolution authorizing purchase agreement for acquisition of real property located in Bernal Heights, generally described as the Mullen/Peralta site, identified as City and County of San Francisco Assessor's Block 5538, Lots 14, 23 and 28, for open space purposes; and adopting findings pursuant to City Planning Code Section 101.1.
- Location:** San Francisco Assessor's Block 5538, Lots 14, 23 and 28, situated on the north slope of Bernal Heights, on the uphill side of Mullen Street, above the undeveloped Mullen/Peralta Mini Park.
- Property Description:** The properties proposed for purchase are three of four contiguous vacant lots known as the "Mullen/Peralta" open space site (See Attachment I). The site is bordered by single family residences to the southeast and southwest, and by street rights-of-way to the northeast and northwest. Lot 14 is owned by Ms. Judith Freeman; Lot 23 is owned by Mr. L. C. Spaulding Taylor and Mr. Herman Ng, and Lot 28 is owned by Boatright Trusts.
- Amount:**
- |  |
|--|
| \$95,000 - Lot 14                              |
| 95,000 - Lot 23                                |
| 89,000 - Lot 28                                |
| <u>1,000</u> - Title Insurance and Escrow Fees |
| \$280,000 - Total                              |
- Source of Funds:** Open Space Acquisition and Park Renovation Fund
- Comments:**
1. The Recreation and Park Commission has approved this acquisition for Open Space purposes and the funds have been previously appropriated by the Board of Supervisors in the Department's FY 1994-95 budget. The General Manager's Report of the San Francisco Park and Open Space Program for FY 1994-95, as amended, allocated \$280,000 towards the acquisition of the properties proposed for purchase.
  2. The City Planning Commission, in Resolution 13677, found that the proposed acquisition of the Mullen/Peralta site is in conformity with the Recreation and Open Space Element of the Master Plan and the Recreation and Open Space Programs document.

3. According to Mr. Ken Chopping of the Real Estate Department, as of FY 1994-95, the total assessed value of the properties to be acquired is \$2,659 for Lot 14 (1,870 square feet at \$1.42 per square foot), \$27,294 for Lot 23 (1,797 square feet at \$15.19 per square foot) and \$3,390 for Lot 28 (1,750 square feet at \$1.94 per square foot), or a total of \$33,343 for 5,417 square feet.<sup>1</sup> Based on the 1994-95 fiscal year tax rate of \$1.163 per \$100 of assessed valuation, the property taxes paid to the City on the properties were \$388. Once the City purchases the properties, such taxes would no longer be paid to the City.

The acquisition price of \$280,000 (\$51.69 per square foot) is \$246,657 or 740 percent more than the total assessed value of \$33,343 for the three properties. Attachment II, provided by the Real Estate Department, explains the large discrepancy between the assessed values and the Real Estate Department's recommended acquisition prices of the three properties to be acquired by the City.

4. Mr. Phil Arnold of the Recreation and Park Department advises that the properties proposed for acquisition are three of four properties needed to create a suitable open space site. The Board of Supervisors approved the acquisition of the fourth property, Lot 15, in March of 1994 (File 168-94-1) for \$96,500, including \$95,000 for the property and \$1,500 for title insurance and escrow fees.

5. Mr. Arnold advises that the proposed properties and the previously purchased contiguous property, which together form the Mullen/Peralta site, would be acquired for the purpose of maintaining their natural, undeveloped state and that only minimal maintenance (e.g. removing weeds) would be required. Such maintenance would, according to Mr. Arnold, be absorbed in the Recreation and Park Department's on-going Open Space maintenance budget.

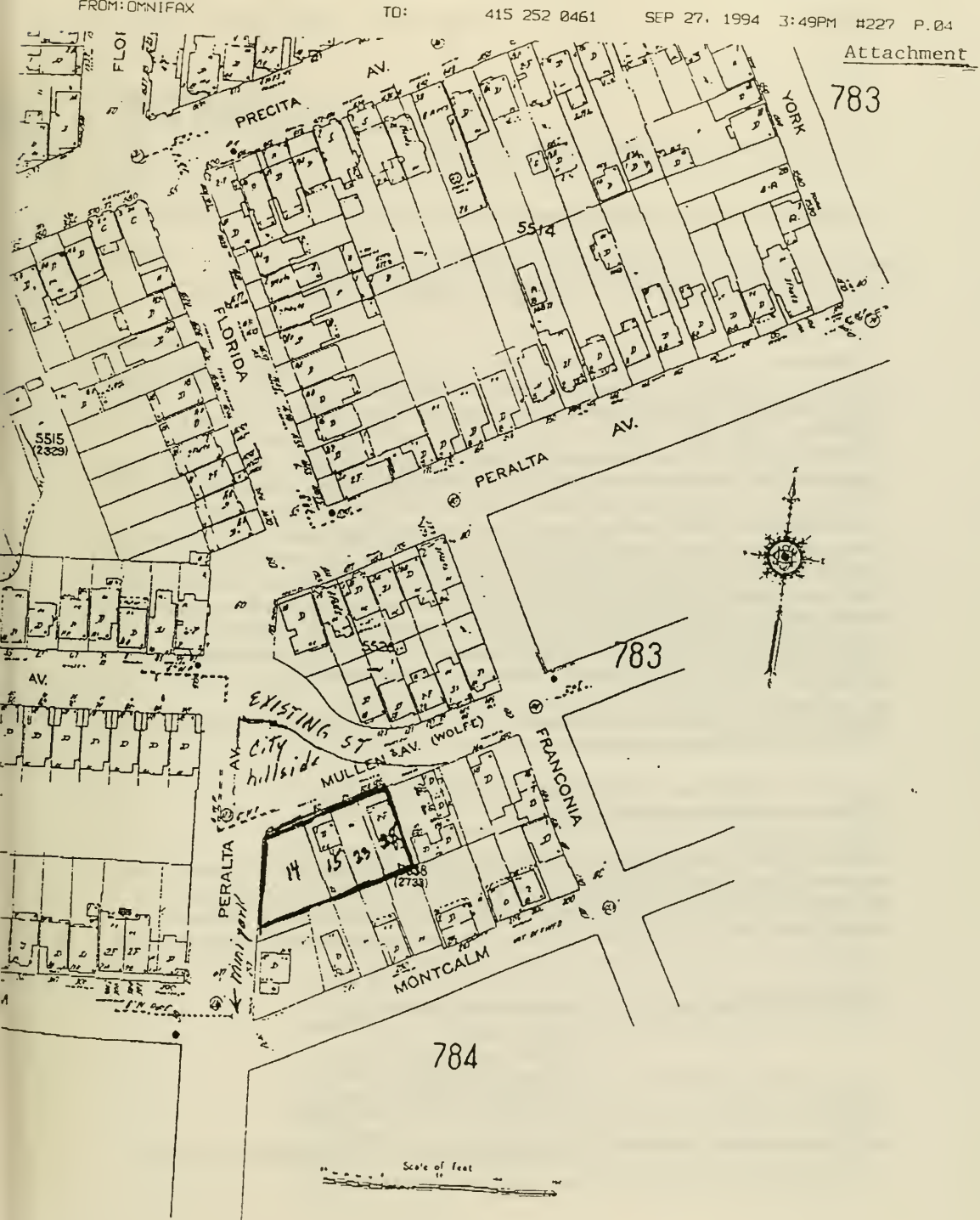
**Recommendation:** Approval of Open Space Acquisitions are policy matters for the Board of Supervisors.

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<sup>1</sup> Mr. Mike Cohen of the Assessor's Office advises that, in accordance with Proposition 13, since Lot 23 changed ownership in 1992, the property was reassessed to reflect its fair market value at that time. However, Mr. Cohen advises that there is no record of Lots 14 and 28 changing ownership, and that the lower assessed values of these properties reflect their historical value.

Attachment

783



By: Ken Chopping  
Real Property Office  
9-27-94

# MULLEN PERALTA OPEN SPACE ACQUISITION

Calculation of Final Purchase Prices for 4 lots:

	<u>Lot 14</u>	<u>Lot 15</u>	<u>Lot 23</u>	<u>Lot 28</u>	<u>Total</u>
Market Value, with access	\$115,000	\$112,000	\$115,000	\$112,000	\$454,000

These values were the appraisal values determined by Real Estate. *(1993) Comparable Bernal Hills lots had sold as high as \$160,000 in 1988.* After much negotiation the 4 owners agreed to the City's appraisal value of \$454,000 for the combined 4 lots, after access development, and said they were offering those lots only as a package sale to the City. This was because the only way that lots 15, 23, 28 could gain street access was by joint development with lot 14. They were in agreement that if the City did not buy those lots for Open Space, they would sell for development. They also agreed with the City's estimate for development of a private access driveway which would allow the lots to be developable. There was not total agreement on other adjustments to the values. The owners believed their lots to be worth more than the City offered, and that a 5% premium should be added for the combined development value, and that 7% interest should be paid for the delayed closing on 3 lots. Also the owners of lot 15 had paid \$105,000 in 1991, more than the City offered.

The 4 owners acted together and finally agreed to the following terms of sale, with no interest on the delayed purchase amounts, as below:

Sale Prices      \$95,000 per lot      \$380,000 total

This was accepted by the Director of Property.

The owner of lot 28 further agreed to a reduction to \$89,000 for lot 28 in order to comply with the City's demand for clear title without any encroachments or maintenance agreements. The only way to do that was to reduce the size of lot 28, by a lot line adjustment, to eliminate an existing encroachment with the seller's other lot. The seller is to pay all costs for that, plus install a new fence, and the price was reduced for the reduced land area.

The final lot sales prices are:

- \$95,000 each for lots 14, 15, 23
- 89,000 for lot 28
- \$374,000 total purchase price
- 6,000 closing costs
- \$380,000 total project acquisition cost

Lot 15 was acquired in April 1994, and the remaining three lots are to be acquired in October.



Item 6 - File 161-94-4.1

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for FY 1994-95.

**Amount:** \$87,518

**Source of Funds:** U. S. Department of Housing and Urban Development (HUD) - Housing Opportunities for Persons with AIDS Program (HOPWA)

**Description:** The Board of Supervisors previously approved the FY 1994-95 SFRA budget in the amount of \$114,923,275.

The SFRA is now requesting approval of an amendment to its budget to permit the expenditure of \$87,518 from HUD to pay for two new Assistant Development Specialist positions. These two positions would be used to provide staff support for the Housing Opportunities for Persons with AIDS Program (HOPWA). The purpose of this HOPWA Program is to provide State and local jurisdictions with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of low-income persons with AIDS or related diseases and the housing needs of their families.

Under the HOPWA Program, there are two types of Federal grants available for housing assistance and supportive services for low-income persons with AIDS or related diseases and their families, as follows: (1) entitlement grants awarded by formula to eligible States and local governments based on the number of AIDS cases in the jurisdiction and (2) competitively awarded grants to State and local governments and nonprofit organizations.

The HOPWA Program funds three types of housing activities (1) Acquisition, Rehabilitation and Construction, (2) Tenant-based Rental Assistance and (3) Supportive Services.

According to Mr. Jack Robertson of the SFRA, Federal funding for the HOPWA Program in the San Francisco Eligible Metropolitan Area has increased 219 percent since 1992, from \$3,635,000 to \$11,600,000. Mr. Robertson advises that the large increase in the HOPWA Federal funding has required an increasing share of SFRA staff resources to administer the HOPWA Program.



Attachment I of this report is a listing of the existing SFRA positions approved in the FY 1994-95 SFRA Administrative Budget. The number of positions authorized in the FY 1994-95 budget is 102 or six more than the 96 positions authorized in the FY 1993-94 SFRA budget. Mr. Robertson reports that the SFRA's housing staff (excluding clerical support) has been reduced by approximately 17 percent from last fiscal year from six professional positions to five professional positions.

The two proposed Assistant Development Specialist positions would have an annual salary of \$51,610 each, for a total annual salary cost of \$103,220. Mr. Robertson reports that the two proposed Assistant Development Specialists would be funded entirely from HOPWA funds provided by HUD. Mr. Robertson advises that one of the Assistant Development Specialists would be assigned to administer the Rental Assistance Program and the monitoring of the HOPWA-funded supportive services contracts which provide HIV/AIDS related services in connection with housing that is provided under the HOPWA Program. The other Assistant Development Specialist position would be assigned to the capital construction and rehabilitation aspects of the HOPWA Program. According to Mr. Robertson, both positions will require extensive document preparation and execution skills, project evaluation skills, project monitoring and oversight skills, and knowledge of real estate finance and HIV/AIDS service delivery models and related areas.

Attachment II of this report outlines the specific tasks that would be performed by the two requested positions. One of these two positions would be paid for from contractual services.

The proposed \$87,518 would be expended for the two proposed positions as follows:

Assistant Development Specialist (October 1, 1994 to June 30, 1994)	\$38,709
Fringe Benefits (19.7%)	<u>7,624</u>
Subtotal	\$46,333
Assistant Development Specialist (November 1, 1994 to June 30, 1994)	\$34,408
Fringe Benefits (19.7%)	<u>6,777</u>
Subtotal	\$41,185
Total	\$87,518

**Comment:** As noted above, the amount requested for one of the two proposed positions was based on the position being filled by October 1, 1994. Since this position cannot be filled until October 17, 1994, the actual amount required to pay for this position would be \$43,801 or \$2,532 less than the requested \$46,333 for this position. Therefore, the body of the proposed legislation should be amended to authorize the SFRA to expend \$84,986 or \$2,532 less than the requested \$87,518.

**Recommendation:**

1. Amend the proposed resolution to authorize the SFRA to expend \$84,986 instead of \$87,518 or \$2,532 less than the requested amount.
2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

<b><u>Number of Positions</u></b>	<b><u>Classification</u></b>	<b><u>Annual Salary at the Top Step</u></b>
<b><u>EXECUTIVE DIRECTOR</u></b>		
1	Executive Director	\$128,282
2	Senior Deputy Executive Director	105,548
3	Community Liaison Officer	58,777
4	Executive Assistant	58,516
5	Confidential Secretary to the Executive Director	46,980
6	Executive Secretary III	43,900
<b><u>LEGAL</u></b>		
7	Agency General Counsel	100,511
8	Deputy General Counsel	84,773
9	Senior Attorney	80,727
10	Attorney II	68,043
11	Attorney I	57,394
12	Legal Secretary III	50,791
13	Legal Secretary II	48,363
14	Legal Secretary I	43,900
15	Senior Legal Clerk	39,672
16	Legal Clerk	30,511
<b><u>PROJECT OPERATIONS</u></b>		
17	Project Director	86,835
18	Project Coordinator	76,891
19	Assistant Project Coordinator	60,265
<b><u>FINANCE</u></b>		
20	Deputy Executive Director, Finance	100,511
21	Financial Operations Manager	76,891
22	Data Processing Manager	71,436
23	Financial Analyst	65,433
24	Financial Systems Accountant	59,691
25	Senior Programmer Analyst	55,724
26	Principal Accountant	54,131
27	Senior Accountant	44,527
28	Accountant	39,307
29	Computer Operator	36,383

<b><u>Number of Positions</u></b>	<b><u>Classification</u></b>	<b><u>Annual Salary at the Top Step</u></b>
<b><u>ADMINISTRATIVE SERVICES</u></b>		
30	Administrative Services Officer	77,700
31	Records and Micrographics Manager	51,548
32	Personnel Analyst	48,128
33	Records Specialist II	38,184
34	Purchasing Assistant	35,366
35	Records Specialist I	31,242
36	Redproduction Specialist	31,242
<b><u>DEVELOPMENT</u></b>		
37	Deputy Executive Director, Development	100,511
38	Chief, Economic Development	84,773
<b><u>DEVELOPMENT AND REAL ESTATE</u></b>		
39	Chief, Development and Real Estate	84,773
40	Senior Development Specialist	76,551
41	Real Estate Specialist	76,551
42	Development Specialist	69,426
43	Assistant Development Specialist	57,107
<b><u>PLANNING AND PROGRAMMING</u></b>		
44	Chief, Planning & Programming	84,773
45	Senior Planner	67,390
46	Associate Planner	55,724
47	Assistant Planner	46,980
48	Planner I	38,732

<b><u>Number of Positions</u></b>	<b><u>Classification</u></b>	<b><u>Annual Salary at the Top Step</u></b>
<b><u>ENGINEERING AND REHABILITATION</u></b>		
49	Chief, Engineering and Rehabilitation	84,773
50	Senior Civil Engineer	80,388
51	Civil Engineer	69,426
52	Rehabilitation Counselor	65,146
53	Associate Civil Engineer	59,952
54	Construction Inspector	59,952
55	Civil Engineering Associate	45,832
<b><u>ARCHITECTURE</u></b>		
56	Chief, Architecture	84,773
57	Senior Architect	74,698
58	Senior Landscape Architect/Architectural Contracts Administrator	68,043
59	Architect	67,756
60	Architectural Associate	59,691
61	Architectural Assistant	46,745
<b><u>HOUSING PRODUCTION AND MANAGEMENT</u></b>		
62	Chief, Housing Production and Management	84,773
63	Housing Management Specialist	61,727
64	Housing Management Specialist	61,727
65	Housing Management Specialist	61,727
66	Assistant Housing Management Specialist	55,985
67	Executive Secretary	40,847
<b><u>COMMUNITY SERVICES/RESIDENTS &amp; BUSINESS SERVICES</u></b>		
68	Assistant Director, Community Services	78,770
69	Affirmative Action Officer	78,431
70	Residents and Business Services Supervisor	68,043
71	Affirmative Action Specialist	67,756
72	Assistant Affirmative Action Specialist	57,107
73	Assistant Supervisor, Residents and Business Services	55,985
74	Senior Community Services Representative	48,363
75	Community Services Representative	41,838



<b><u>Number of Positions</u></b>	<b><u>Classification</u></b>	<b><u>Annual Salary at the Top Step</u></b>
<b><u>LABORERS</u></b>		
76	Laborer Supervisor	41,447
77	Laborer	38,028
78	Custodian	30,354
<b><u>HARBOR</u></b>		
79	Harbormaster	55,202
80	Assistant Harbormaster	43,274
81	Harbor Office Manager	41,238
82	Harbor Attendant II	35,705
83	Harbor Office Assistant	34,034
84	Harbor Attendant I	29,519
<b><u>GENERAL</u></b>		
85	Senior Management Assistant	51,548
86	Administrative Assistant II	44,970
87	Executive Secretary II	41,838
88	Supervising Clerk	40,847
89	Executive Secretary I	40,847
90	Administrative Assistant I	39,672
91	Secretary II	37,480
92	Senior Account Clerk	36,905
93	Principal Clerk Typist	36,566
94	Senior Clerk Typist	33,878
95	Telephone Operator	33,539
96	Senior Data Entry Operator	32,599
97	Secretary I	32,286
98	Account Clerk	31,999
99	Senior Clerk	31,242
100	Clerk Typist	30,929
101	Clerk	29,780
102	Data Entry Operator	28,266

Scope of Services

The primary focus of the Contractor will be to administer the implementation and monitoring of the HOPWA-funded Lease and Rental Assistance and Supportive Service programs. These responsibilities of the Contractor shall include, but not be limited to, the following:

- o Participate with the Agency HOPWA Development Specialist and DPH's AIDS Office staff in overseeing the HOPWA Lease and Rental Assistance and Supportive Services program;
- o Participate with Agency and AIDS Office staff in developing contract documents for the HOPWA Lease and Rental Assistance and Supportive Services program;
- o Develop and administer contract documents of service providers who receive funding under the HOPWA Lease and Rental Assistance and Supportive Services program;
- o Monitor contract compliance of all HOPWA service providers, with particular responsibility for overseeing quality of service, efficiency of rental assistance payments and compliance with all contract terms and conditions;
- o Assist Agency and AIDS Office staff in finalizing and updating the HIV-AIDS Housing Needs Assessment. Specifically, this responsibility shall entail ongoing assessment of community needs for residential and associated supportive services through interaction with service providers and evaluation of waiting list(s) of existing programs;
- o Assist in the development of new HIV-specific residence programs;
- o Assist Agency staff in coordinating the use of HOPWA with Ryan White CARE funds administered by the AIDS Office;
- o Evaluate the service provider programs at the end of their contract periods to determine whether the objectives of the programs have been met;
- o Provide ongoing technical assistance to service providers with respect to the implementation of the HOPWA Lease and Rental Assistance and Support Services Program.
- o Review and evaluate disbursement requests or invoices

from contractors for submittal to the Agency HOPWA Development Specialist for processing and payment.

- o Review and evaluate Quarterly Program Reports as well as annual audits.



# SAN FRANCISCO REDEVELOPMENT AGENCY

## JOB DESCRIPTION

AGENCY CLASSIFICATION: Assistant Development Specialist

### CHARACTERISTICS OF CLASSIFICATION:

Under direction of designated supervisor, assists in the business development, land marketing, economic and physical planning for a redevelopment area or proposed redevelopment area; has contacts with businessmen and others to discuss and make recommendations on business development matters; and performs related duties as assigned.

Requires responsibility for assisting in the development, interpretation and coordination of methods and procedures relative to business development and land marketing programs; maintaining regular contacts with businessmen and others involved in business development activities of a project area; and assisting in preparation and presentation of detailed records and reports.

### EXAMPLES OF DUTIES:

- \* Collects, compiles, prepares, analyzes and organizes data to be used in furthering business and land development.
- \* Attends a variety of meetings concerned with business development, with businessmen, developers, and community organizations to effectively communicate and disseminate current information on Agency project activities.
- \* Researches and compiles business development data to be used in preparing recommendations and reports for specific project business development activities.
- \* Makes field investigations of city areas appropriate for business development activities as relate to overall Agency programs, and projects.

### MINIMUM QUALIFICATIONS:

- \* Requires ability to deal tactfully and effectively with others.
- \* Requires ability to research and prepare clear, concise, and comprehensive technical reports.

AGENCY CLASSIFICATION: Assistant Development Specialist

MINIMUM QUALIFICATIONS:

- \* Requires knowledge of general management, administration, development costs and general economics, good knowledge of leases, contracts and negotiations, and principles and practices of business development.
- \* Requires one year of management experience in government, business or property management; or an equivalent combination of training and experience.
- \* Requires equivalent of completion of a four-year college or degree with a B.A. degree with major course work in business administration, public administration, real estate, or a related field.





Item 7 - File 47-94-13

**Department:** Department of Parking and Traffic (DPT)

**Item:** Resolution to approve new parking rates at the Civic Center Garage.

**Description:** The Civic Center Garage is an 843-space, three-level City-owned facility located at 355 McAllister Street in the Civic Center area. The Civic Center Garage is managed by AMPCO Parking under a management agreement with the City whereby AMPCO receives an \$833 management fee per month plus budgeted expenses. The City receives both the Parking Tax revenues, and the net revenues after AMPCO's management fee and other expenses.

Due to the seismic construction work in the area and the evacuation of nearby government buildings, revenues at the Civic Center Garage have decreased and are expected to continue to be affected by construction work for the next several years.

The San Francisco Parking and Traffic Commission has oversight responsibility for City-owned parking facilities. This responsibility includes reviewing annually the parking rates charged at City-owned garages and lots, and making recommendations to the Board of Supervisors for changes in such parking rates. The Commission approved a resolution on September 6, 1994 recommending that the Board of Supervisors approve the following parking rate changes at the City-owned Civic Center Garage:

<u>Rate Type</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Decrease</u>
Daily Student	N/A (1)	\$4.50	50.0%
Regular Monthly	\$156.25 (2)	\$125.00	20.0%
Government Monthly	\$125.00 (3)	\$125.00 (3)	0.0%
Resident Monthly	N/A (4)	\$90.00	42.4%

**Notes:**

- (1) Civic Center Garage currently does not have a "Student" rate. Percent decrease is based on change from regular daily rate of \$9.00.
- (2) Based on a rate of \$125.00 plus a 25% parking tax, for a total of \$156.25.
- (3) The government rate is exempt from the 25% parking tax.
- (4) Proposed new rate category. There currently is no separate rate for residents. Percent decrease is based on the current regular monthly rate of \$156.25. "Resident" is defined as living within a five block radius of the Civic Center Garage (see Comment No. 3).

**Comments:**

1. According to Mr. Kevin Hagerty, Director of Off-Street Parking at DPT, gross parking revenues (including Parking Tax revenues) at the Civic Center Garage have declined 9% from \$1.6 million in fiscal year 1992-93 to \$1.46 million in 1993-94 (using AMPCO's fiscal year of May 1 through April 30). Total revenues to the City have decreased 20% from \$974,722 in fiscal year 1992-93 [including Parking Tax revenue of \$260,934 plus net revenues (gross revenues, not including the Parking Tax, less expenses and management fees to AMPCO) of \$713,788] to \$778,454 in fiscal 1993-94 (Parking Tax revenues of \$227,668 plus net revenues of \$550,786). The number of monthly parkers has declined 28% from 223 in August, 1992 to 161 in April, 1994.

According to projections from AMPCO, gross revenues are expected to decline an additional 12% to \$1.29 million in fiscal year 1994-95 based on current parking rates and projected demand. This will result in total projected revenues to the City of approximately \$557,006 for fiscal year 1994-95 (\$1,288,653 in gross revenues, including Parking Taxes, less \$731,647 budgeted expenses equals \$557,006, or a decrease of \$221,448 or 28.5% from fiscal 1993-94 revenues of \$778,454.

Mr. Jerry Foshee of AMPCO Parking and Mr. Hagerty of DPT both report that revenue projections with the proposed new parking rates have not been made. The proposed new rates create classifications that formerly did not exist, so there is no current breakdown of customers in these categories to use as a baseline from which to project the customer mix for fiscal 1994-95. In addition, the proposed decrease in parking rates is intended to attract new customers, but Mr. Foshee and Mr. Hagerty indicate it is difficult to accurately project the increase in demand that may result from such rate decreases.

The average mix of monthly parkers was approximately 44 regular and 147 government customers in fiscal 1992-93, and 34 regular and 143 government customers in 1993-94. The projected mix in fiscal 1994-95 based on current parking rates is 30 regular and 151 government monthly customers.

2. Based on AMPCO's current gross revenue projections for fiscal year 1994-95 of \$56,520 (including the Parking Tax) from monthly non-government parkers (representing an average of 30 monthly parkers at \$156.25 per month for 12 months), the Civic Center Garage would need to attract an additional 8 monthly non-government customers at the proposed lower rate of \$125 per month in order to achieve

approximately the same level of revenues (38 monthly parkers at \$125 per month x 12 months = \$57,000).

Both Mr. Foshee and Mr. Hagerty assume that "residential" monthly clients will primarily be new customers and therefore will not cause a decrease in the number of "non-government" monthly customers. Mr. Hagerty reports that the proposed new residential rates are aimed at a new customer base of residents living within a five block radius of the Civic Center Garage (or the area bounded by Gough, Ellis, Leavenworth and Grove streets). Mr. Hagerty believes that at this time, most of the non-government monthly parkers would not qualify as "residents" as defined above. (See Comment No. 3 for additional information on the "residential" rate).

Mr. Foshee reports, however, that eight of the current monthly parkers are students. He stated that the daily student rate should be offered until 7:00 p.m. only. If daily student parking (at the proposed \$4.50 per day) were available with unrestricted hours, reports Mr. Foshee, these monthly student parkers (who would pay \$125.00 per month under the new rates) could use daily parking each day for a lower overall monthly cost (\$4.50 per day x 5 days per week x 4.5 weeks per month = \$101.25 per month), resulting in a loss of revenues to the Civic Center Garage. Mr. Hagerty does not agree with Mr. Foshee's belief that these monthly student parkers will choose to use the daily rate instead, however, and cited the "in and out" privileges of monthly parkers and the convenience of once-a-month payment as possible reasons why these eight students may still elect to pay the slightly higher monthly rate. In addition, Mr. Hagerty states that it is the intent of DPT that the daily student rate as described in the proposed resolution is from 6:00 a.m. until the Garage closes (typically at midnight).

3. Mr. Hagerty reports that the proposed new residential monthly rate of \$90.00 will be available to residents who live within a five block radius from the Civic Center Garage, as noted above. Residents would be required to provide proof of residency in order to be eligible for this rate. Mr. Hagerty states that this lower rate should not conflict with the availability of spaces for monthly non-resident parkers (who pay \$125.00 per month), as residential parking should most likely be used primarily on nights and weekends. According to Mr. Hagerty, this residential rate would assist the City in meeting its commitment to residents of the Corinthian Court Apartments, located at 512 Van Ness, whose parking has been affected by the construction of the City Court building.

4. AMPCO Parking conducted a survey of monthly parking rates in 24 other garages in the Civic Center area, and found that monthly non-reserved rates ranged from \$80.00 to \$125.00. In addition, the parking lot at Hastings, although often full, has a student rate of \$50.00 per month.

5. As noted in Comment No. 1 above, it is difficult to project the change in demand for parking that would result from the decrease in prices at Civic Center Garage. As noted above, the DPT has not yet made revenue projections for fiscal 1994-95 based on the proposed new parking rates at the Civic Center Garage.

**Recommendation:** The proposed resolution is a policy matter for the Board of Supervisors.



Item 8 - File 165-94-4.1

**Item:** Motion directing the Budget Analyst to provide information, on an expedited basis, to the Board of Supervisors regarding lost revenue caused by the Tax Collector's failure to collect license and permit fees.

**Description:** The proposed motion would direct the Budget Analyst to provide, on an expedited basis, information to the Board of Supervisors regarding the amount of lost revenue caused by the failure to collect license and permit fees and the amount of funds that can possibly be captured from this analysis for the fiscal year 1994-95 budget.

The Board of Supervisors previously approved a motion directing the Budget Analyst to conduct a management audit of the Tax Collector's Office. A comprehensive review of the License and Permit Division in the Tax Collector's Office is being done as part of this previously assigned audit, including any failures or potential abilities of this Division to generate additional revenues for the City and County of San Francisco. The Budget Analyst's Office is currently working on this comprehensive Tax Collector's audit and anticipates the audit to be completed in early 1995.

The Budget Analyst notes that although the potential revenues to be identified by such a review may be significant, given that this audit has only recently begun, the Budget Analyst is unable, at this time, to estimate the amount of additional revenues that may be identified by a separate review of the Tax Collector's License and Permit Division.

Regarding the collection of any such potential uncollected revenue, Mr. Harrington advised that the Controller's Office would not be able to certify such revenues unless subsequent revenue projections, based on hard data, clearly demonstrate that such revenues are in fact collectible for fiscal year 1994-95.

**Recommendation:** Approval of the proposed motion is a policy matter for the Board of Supervisors.



Item 9 - File 101-94-15

**Note:** This item was continued by the Budget Committee at its meeting of September 21, 1994.

**Department:** San Francisco Public Library

**Item:** Ordinance appropriating \$2,100,000, to the Public Library from 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency for New Main Library and Branch Library improvement renovations) for fiscal year 1994-95.

**Amount:** \$2,100,000

**Source of Funds:** 1988 Library Improvement Bond Proceeds

**Description:** In 1988, voters approved a bond program for improvements to the Public Library system. Of the original bond amount of \$109.5 million, \$104.5 was allocated to the new Main Library and \$5.0 million was allocated for the renovation of five Branch Libraries. Additionally, an estimated \$10.0 million in interest was expected to accrue from the bonds with \$9.5 million allocated to the Main Library and \$500,000 allocated to the branches. Three of the five branches, Park, Presidio, and Sunset, have been renovated. The two remaining Branch Libraries, Chinatown and Mission, are in progress.

The proposed supplemental appropriation totaling \$2,100,000 is requested to: a) increase the Main Library contingency fund by \$400,000 and b) to increase the construction contingency fund for the Chinatown and Mission Branch Library renovation projects by \$1,700,000. According to Mr. Russell Abel of the Department of Public Works, Bureau of Architecture, the total estimated cost for the Main Library construction project is \$136,187,049 and the total estimated costs for completing the renovations on the five Branch Libraries is \$10,958,105.

**Comments:** 1. The Main Library construction contingency fund was initially established with an allocation of \$6,000,000. To date, \$3,000,000 of the construction contingency fund has been encumbered and/or expended on change orders, leaving an available balance of approximately \$3,000,000. Mr. Jim Cheng, of the Department of Public Works reports that \$400,000 is currently available from the Library Improvement Bond Proceeds to increase the construction contingency fund for the Main Library construction project. Mr. Cheng also states that the total cost of the Main Library

construction project, including change orders, is not known at this time. The \$400,000 requested in this proposed appropriation would increase the Main Library construction contingency fund to \$3,400,000 (\$3,000,000 currently available plus \$400,000 from this request).

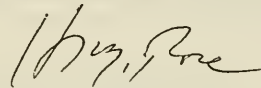
2. Until the Department submits documentation for exhausting the presently available balance in the Main Library construction contingency fund of \$3,000,000, the Budget Analyst recommends that the proposed \$400,000 appropriation to increase the Main Library construction contingency fund be continued to the call of the Chair.

4. The construction contingency fund for the Branch Libraries has a current balance of approximately \$235,000. The \$1,700,000 requested in the proposed appropriation would increase the Branch Libraries construction contingency fund to \$1,935,000. Mr. James Chia of the Department of Public Works, indicates that the additional \$1,700,000 requested for the construction contingency for the Chinatown and Mission Branch Library renovation projects would be used to cover additional work related to the renovation of the Branch Libraries.

5. The City is currently in negotiations with contractors on the cost of changes to the Branch Library renovation project. According to estimates from the Department of Public Works, the change orders have a projected cost of up to approximately \$2.3 million. Detailed information regarding the specific items and the associated costs are confidential, according to the City Attorney's Office.

6. Confidential preliminary cost information has been submitted to and reviewed by the Budget Analyst. Based on the data submitted, the Budget Analyst recommends that the proposed \$1,700,000 supplemental appropriation to increase the construction contingency fund for the Chinatown and Mission Branch Library renovation projects be approved but that such funds be placed on reserve until negotiations have been finalized and more definitive cost estimates are presented to the Budget Committee.

- Recommendations:** 1. Sever the \$400,000 portion of the request related to the Main Library and continue this request of \$400,000 for the Main Library construction contingency fund to the call of the Chair, pending the submission, to the Budget Committee of the documentation for the expenditures related to the existing \$3,000,000 presently contained in the Main Library construction contingency fund.
2. Approve the balance of the proposed supplemental appropriation of \$1,700,000 for the Branch Libraries construction contingency fund related to the Chinatown and Mission Branch Libraries, but place the \$1,700,000 on reserve pending finalization of negotiations with the contractors and submission of more definitive cost estimates to the Budget Committee.



Harvey M. Rose

cc: Supervisor Hsieh  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Migden  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey





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11/1 CALENDAR ... ACTION TAKEN  
BUDGET COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

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AUG 27 1996

SAN FRANCISCO  
PUBLIC LIBRARY

WEDNESDAY, OCTOBER 12, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, BIERMAN

ABSENT: SUPERVISOR ALIOTO

CLERK: MARY L. RED

1. File 47-94-13. [New Parking Rates, Civic Center Garage] Resolution approving new parking rates at the Civic Center Garage. (Department of Parking and Traffic) Continued from 10/5.

ACTION: Amended to provide for review in six months. New title: "Resolution approving new parking rates at the Civic Center Garage; and providing for review in six months by the Board of Supervisors." RECOMMENDED AS AMENDED.

2. File 47-94-14. [Parking Rate Change, St. Mary's Square Garage] Resolution approving rate increases at the St. Mary's Square Garage. (Department of Parking and Traffic)

ACTION: RECOMMENDED.

3. File 101-92-11.3. [Release Reserved Funds, Airport] Hearing requesting release of reserved funds, Airport, in the amount of \$6,489,745, for Airport Master Plan construction contract, Contract No. 5826AR, Plot 41 Hardstands, Phase 1 (JMB Construction/Granite Rock Company, contractors). (Airports Commission)

ACTION: Release of reserved funds in the amount of \$6,489,745 approved. FILED.

4. File 101-94-2.3. [Government Funding] Ordinance amending the Annual Appropriation Ordinance, 1994-95, File 101-94-2, giving effect to revenue changes pursuant to Charter Section 6.208 and adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 6.400, and adjusting appropriations to meet the requirements of the Airport, as a pre-requisite to levy a tax pursuant to Charter Section 6.208. (Controller).  
(Continued from 9/14)

ACTION: Amendment of the Whole (as presented by Controller) adopted. New title: "Ordinance amending the Annual Appropriation Ordinance, 1994-95, File 101-94-2, giving effect to revenue changes pursuant to Charter Section 6.208 and adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 6.400, and adjusting appropriations to meet the requirements of the Airport and the Public Library, as a pre-requisite to levy a tax pursuant to Charter Section 6.208." RECOMMENDED AS AMENDED.

5. File 172-94-18. [Citywide Vending Machine Contract] Hearing to consider enacting a resolution urging unified citywide vending machine contract. (Supervisors Hsieh, Bierman, Alioto)

ACTION: Hearing held. Consideration continued to call of the chair.

6. File 165-94-4.1. [Tax Collector] Motion directing the Budget Analyst to provide information to the Board regarding lost revenue caused by the Tax Collector's failure to collect license and permit fees. (Supervisors Conroy, Alioto, Kennedy, Maher, Hallinan, Shelley)  
Continued from 10/5

ACTION: Hearing held. Consideration continued to call of the chair.

#### ADDENDUM

7. File 127-94-10. [Small Business Exemption] Draft ordinance amending Part III, Municipal Code, by amending Sections 905-A and 1005.3 to change the qualifications for the small business tax exemption, effective \_\_, to require that taxpayers file a tax return in order to be eligible for the exemption. (Supervisor Kaufman)

ACTION: Amendment of the Whole (as presented by Supervisor Kaufman) adopted. New title: "Ordinance amending Part III of the San Francisco Municipal Code by amending Sections 905-A of Article 12-A and 1005.3 of Article 12-B to require that payroll and business taxpayers file a tax return in order to be eligible for the small business exemption for tax liabilities arising on or after January 1, 1995. (Supervisor Kaufman)  
RECOMMENDED AS AMENDED to the Board October 31, 1994, Special Order at 3:00 p.m..

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CITY AND COUNTY



Public Library  
ATTN: Jane Hudson  
OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

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OCT 12 1994

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October 7, 1994

**TO:** Budget Committee  
**FROM:** Budget Analyst  
**SUBJECT:** October 12, 1994 Budget Committee Meeting

Item 1 - File 47-94-13

**Note:** This item was continued by the Budget Committee at its meeting of October 5, 1994.

**Department:** Department of Parking and Traffic (DPT)

**Item:** Resolution to approve new parking rates at the Civic Center Garage.

**Description:** The Civic Center Garage is an 843-space, three-level City-owned facility located at 355 McAllister Street in the Civic Center area. The Civic Center Garage is managed by AMPCO Parking under a management agreement with the City whereby AMPCO receives an \$833 management fee per month plus budgeted expenses. The City receives both the Parking Tax revenues, and the net revenues after AMPCO's management fee and other expenses.

Due to the seismic construction work in the area and the evacuation of nearby government buildings, revenues at the Civic Center Garage have decreased and are expected to continue to be affected by construction work for the next several years.

The San Francisco Parking and Traffic Commission has oversight responsibility for City-owned parking facilities.

This responsibility includes reviewing annually the parking rates charged at City-owned garages and lots, and making recommendations to the Board of Supervisors for changes in such parking rates. The Commission approved a resolution on September 6, 1994 recommending that the Board of Supervisors approve the following parking rate changes at the City-owned Civic Center Garage:

<u>Rate Type</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Decrease</u>
Daily Student	N/A (1)	\$4.50	50.0%
Regular Monthly	\$156.25 (2)	\$125.00	20.0%
Government Monthly	\$125.00 (3)	\$125.00 (3)	0.0%
Resident Monthly	N/A (4)	\$90.00	42.4%

**Notes:**

- (1) Civic Center Garage currently does not have a "Student" rate. Percent decrease is based on change from regular daily rate of \$9.00.
- (2) Based on a rate of \$125.00 plus a 25% parking tax, for a total of \$156.25.
- (3) The government rate is exempt from the 25% parking tax.
- (4) Proposed new rate category. There currently is no separate rate for residents. Percent decrease is based on the current regular monthly rate of \$156.25. "Resident" is defined as living within a five block radius of the Civic Center Garage (see Comment No. 3).

**Comments:**

1. According to Mr. Kevin Hagerty, Director of Off-Street Parking at DPT, gross parking revenues (including Parking Tax revenues) at the Civic Center Garage have declined 9% from \$1.6 million in fiscal year 1992-93 to \$1.46 million in 1993-94 (using AMPCO's fiscal year of May 1 through April 30). Total revenues to the City have decreased 20% from \$974,722 in fiscal year 1992-93 [including Parking Tax revenue of \$260,934 plus net revenues (gross revenues, not including the Parking Tax, less expenses and management fees to AMPCO) of \$713,788] to \$778,454 in fiscal 1993-94 (Parking Tax revenues of \$227,668 plus net revenues of \$550,786). The number of monthly parkers has declined 28% from 223 in August, 1992 to 161 in April, 1994.

According to projections from AMPCO, gross revenues are expected to decline an additional 12% to \$1.29 million in fiscal year 1994-95 based on current parking rates and projected demand. This will result in total projected revenues to the City of approximately \$557,006 for fiscal year 1994-95 (\$1,288,653 in gross revenues, including Parking Taxes, less \$731,647 budgeted expenses equals \$557,006, or a decrease of \$221,448 or 28.5% from fiscal 1993-94 revenues of \$778,454.



Mr. Jerry Foshee of AMPCO Parking and Mr. Hagerty of DPT both report that revenue projections with the proposed new parking rates have not been made. The proposed new rates create classifications that formerly did not exist, so there is no current breakdown of customers in these categories to use as a baseline from which to project the customer mix for fiscal 1994-95. In addition, the proposed decrease in parking rates is intended to attract new customers, but Mr. Foshee and Mr. Hagerty indicate it is difficult to accurately project the increase in demand that may result from such rate decreases.

The average mix of monthly parkers was approximately 44 regular and 147 government customers in fiscal 1992-93, and 34 regular and 143 government customers in 1993-94. The projected mix in fiscal 1994-95 based on current parking rates is 30 regular and 151 government monthly customers.

2. Based on AMPCO's current gross revenue projections for fiscal year 1994-95 of \$56,520 (including the Parking Tax) from monthly non-government parkers (representing an average of 30 monthly parkers at \$156.25 per month for 12 months), the Civic Center Garage would need to attract an additional 8 monthly non-government customers at the proposed lower rate of \$125 per month in order to achieve approximately the same level of revenues (38 monthly parkers at \$125 per month x 12 months = \$57,000).

Both Mr. Foshee and Mr. Hagerty assume that "residential" monthly clients will primarily be new customers and therefore will not cause a decrease in the number of "non-government" monthly customers. Mr. Hagerty reports that the proposed new residential rates are aimed at a new customer base of residents living within a five block radius of the Civic Center Garage (or the area bounded by Gough, Ellis, Leavenworth and Grove streets). Mr. Hagerty believes that at this time, most of the non-government monthly parkers would not qualify as "residents" as defined above. (See Comment No. 3 for additional information on the "residential" rate).

Mr. Foshee reports, however, that eight of the current monthly parkers are students. He stated that the daily student rate should be offered until 7:00 p.m. only. If daily student parking (at the proposed \$4.50 per day) were available with unrestricted hours, reports Mr. Foshee, these monthly student parkers (who would pay \$125.00 per month under the new rates) could use daily parking each day for a lower overall monthly cost (\$4.50 per day x 5 days per week x

4.5 weeks per month = \$101.25 per month), resulting in a loss of revenues to the Civic Center Garage. Mr. Hagerty does not agree with Mr. Foshee's belief that these monthly student parkers will choose to use the daily rate instead, however, and cited the "in and out" privileges of monthly parkers and the convenience of once-a-month payment as possible reasons why these eight students may still elect to pay the slightly higher monthly rate. In addition, Mr. Hagerty states that it is the intent of DPT that the daily student rate as described in the proposed resolution is from 6:00 a.m. until the Garage closes (typically at midnight).

3. Mr. Hagerty reports that the proposed new residential monthly rate of \$90.00 will be available to residents who live within a five block radius from the Civic Center Garage, as noted above. Residents would be required to provide proof of residency in order to be eligible for this rate. Mr. Hagerty states that this lower rate should not conflict with the availability of spaces for monthly non-resident parkers (who pay \$125.00 per month), as residential parking should most likely be used primarily on nights and weekends. According to Mr. Hagerty, this residential rate would assist the City in meeting its commitment to residents of the Corinthian Court Apartments, located at 512 Van Ness, whose parking has been affected by the construction of the City Court building.

4. AMPCO Parking conducted a survey of monthly parking rates in 24 other garages in the Civic Center area, and found that monthly non-reserved rates ranged from \$80.00 to \$125.00. In addition, the parking lot at Hastings, although often full, has a student rate of \$50.00 per month.

5. As noted in Comment No. 1 above, it is difficult to project the change in demand for parking that would result from the decrease in prices at Civic Center Garage. As noted above, the DPT has not yet made revenue projections for fiscal 1994-95 based on the proposed new parking rates at the Civic Center Garage.

**Recommendation:** The proposed resolution is a policy matter for the Board of Supervisors.

Item 2 - File 47-94-14

**Department:** Department of Parking and Traffic (DPT)

**Item:** Resolution approving proposed parking rate increases at the St. Mary's Square Garage.

**Description:** St. Mary's Square Garage is a six-level, 828-space, City-owned parking facility located at 433 Kearny Street. The Garage is operated by Five Star Parking under a management agreement with the City. The Department of Parking and Traffic (DPT) reports that on most weekdays, St. Mary's Square Garage is operating at capacity.

According to DPT, the Garage's monthly and early bird rates are below the market rates of other nearby garages. As such, Five Star Parking and DPT developed a rate proposal that would make the monthly and early bird rates comparable to other parking facilities in the area. The monthly parking rate for the St. Mary's Square Garage was last increased in 1987, and the early bird rate was initiated in 1985 and has never been increased.

The San Francisco Parking and Traffic Commission has oversight responsibility for City-owned parking facilities. This responsibility includes annually reviewing parking rates charged at City-owned garages and lots and making recommendations to the Board of Supervisors for changes in such parking rates.

On September 20, 1994, the Parking and Traffic Commission reviewed the monthly and early bird rates at St. Mary's Square Garage and approved a resolution recommending that the Board of Supervisors approve the following rate increases at the City-owned St. Mary's Square Garage:

**Monthly Parking Rate**

<u>Current</u>	<u>Proposed</u>	<u>Percent Increase</u>
\$260	\$270	3.8%

**Early Bird Parking Rate**

<u>Current</u>	<u>Proposed</u>	<u>Percent Increase</u>
\$10	\$12	20%

**Comments:** 1. Mr. Kevin Hagerty, Director of Off-Street Parking, reports that the average gross receipts from the St. Mary's Square Garage were \$3,164,746 in 1993, or approximately \$263,729 per month. Mr. Hagerty advises that the DPT estimates that the proposed parking rate increases would result in an

estimated increase in the Garage's annual gross receipts of approximately \$3,433 per month or \$41,198 per year, or from \$3,164,746 to \$3,205,944 per year.

2. The table below shows a comparison of monthly and early bird parking rates at other City-owned and private garages in the Financial District and Union Square Areas. This table, which contains information provided by DPT, shows that while the proposed monthly parking rate for St. Mary's Square Garage would be 6.2 percent more than the average monthly parking rate and 22.1 percent more than the average early bird parking rate at other nearby City-owned garages, the proposed monthly and early bird rates for St. Mary's Square Garage would be lower than the average rates for privately-owned garages serving the Financial District.

<u>Garage</u>	<u>Monthly Parking Rate</u>	<u>Early Bird Parking Rate</u>
<b>City-owned Garages:</b>		
Sutter - Stockton	\$250	\$9.00
Fifth & Mission	250	None
Ellis - O'Farrell	195	None
Portsmouth Square	260	None
Union Square	310	8.50
Golden Gateway	260	12.00
Average Rate for City-owned Garages	\$254.17	\$9.83
<b>Privately-owned Garages:</b>		
Bank of America	275	None
235 Montgomery Street	240	None
333 Bush Street	330	None
665 Sacramento Street	300	12.50
601 Montgomery Street	250	None
220 Montgomery Street	285	None
Average Rate for Privately- owned Garages	\$280	\$12.50
<b>St. Mary's Square Garage (as proposed)</b>	<b>\$270</b>	<b>\$12.00</b>

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 3 - File 101-92-11.3

**Department:** Airports Commission

**Item:** Hearing requesting release of reserved funds in the amount of \$6,489,745 for an Airport Master Plan construction contract, (Contract No. 5826AR), Plot 41 Hardstands, Phase 1.

**Amount:** \$6,489,745

**Source of Funds:** 1992 Airport Revenue Bonds

**Description:** In December of 1992, the Board of Supervisors approved an ordinance appropriating \$2.4 billion in Airport Revenue Bond interest earnings for Near Term Master Plan Projects at the San Francisco International Airport. Of the \$2.4 billion, \$1,554,200,000 was placed on reserve for construction contracts pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors.

In July of 1994, the Board of Supervisors released \$51,792,700 of this reserve (File 101-92-11.2) to fund the South San Francisco and San Bruno Home Insulation Project and construction of the Lot DD Parking Structure at San Bruno Avenue and Route 101, leaving a balance of \$1,502,407,300 still on reserve for construction contracts.

The proposed subject release of reserve in the amount of \$6,489,745 is to fund the construction and contingency costs of the Plot 41 Hardstands, Phase I. Release of this amount will leave a balance of \$1,495,917,555 still on reserve.

This project will begin the construction of a new paved open air parking area for aircraft in the northwest section of the Airport. "Hardstands" refers to an area which is paved strongly enough to withstand the weight of aircraft up to the size of a 747 jet. This new aircraft parking area will replace aircraft parking that will be lost due to the construction of the new International Terminal under the Airport Master Plan. The work involves excavation, grading, drainage, and paving with Portland cement and asphalt. The total parking area to be constructed under this contract is approximately 15 acres.

The construction contract for this project has been awarded to a joint venture, JMB Construction/Granite Rock Co. JMB Construction is a City-certified WBE and will be allocated approximately 26.8 percent or \$1,602,535 of the construction contract of \$5,989,745. Granite Rock Co., which is not an



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MBE/WBE firm, will be allocated approximately 34.4 percent or \$2,060,750 of the construction contract. The balance of the work will be done by the subcontractors as listed in the following table:

<b>Name of Firm</b>	<b>Contract Allocation</b>	<b>Contract Percentage</b>	<b>MBE/WBE</b>
<b><u>Prime Contractors</u></b>			
JMB Construction	\$1,602,535	26.8	Yes
Granite Rock Co.	<u>2,060,750</u>	34.4	No
<b>Sub-total</b>	<b>\$3,663,285</b>	<b>61.2</b>	
<b><u>Subcontractors</u></b>			
OGRA Security	\$18,000	.3	Yes
Tri Fencing	18,125	.3	No
Rosas Construction	230,000	3.9	Yes
Gundle Systems	30,900	.6	No
PK/Rodgers/Big 5	400,000	6.7	Yes
All Asphalt Surfacing	50,000	.9	No
Johnson Western	134,000	2.3	No
Liberty Builders	71,925	1.2	Yes
Serrano & Cone	1,110,000	18.6	No
Nelson Engineering	100,000	1.7	Yes
Anrak Corporation	8,300	.2	No
Rosendin Electrical	<u>116,225</u>	<u>2.0</u>	<u>No</u>
<b>Sub-total</b>	<b>\$2,287,475</b>	<b>38.7</b>	
<b>Total</b>	<b>\$5,950,760</b>	<b>99.9</b>	
<b>Contract amount</b>	<b><u>5,989,745</u></b>		
<b>Difference</b>	<b>\$38,985</b>		

**Project Budget  
for construction:**

**Plot 41 Hardstands, Phase I**

Construction contract	\$5,989,745
Contingency @8.3% of construction contract	<u>500,000</u>
<b>Total</b>	<b>\$6,489,745</b>

**Comments:**

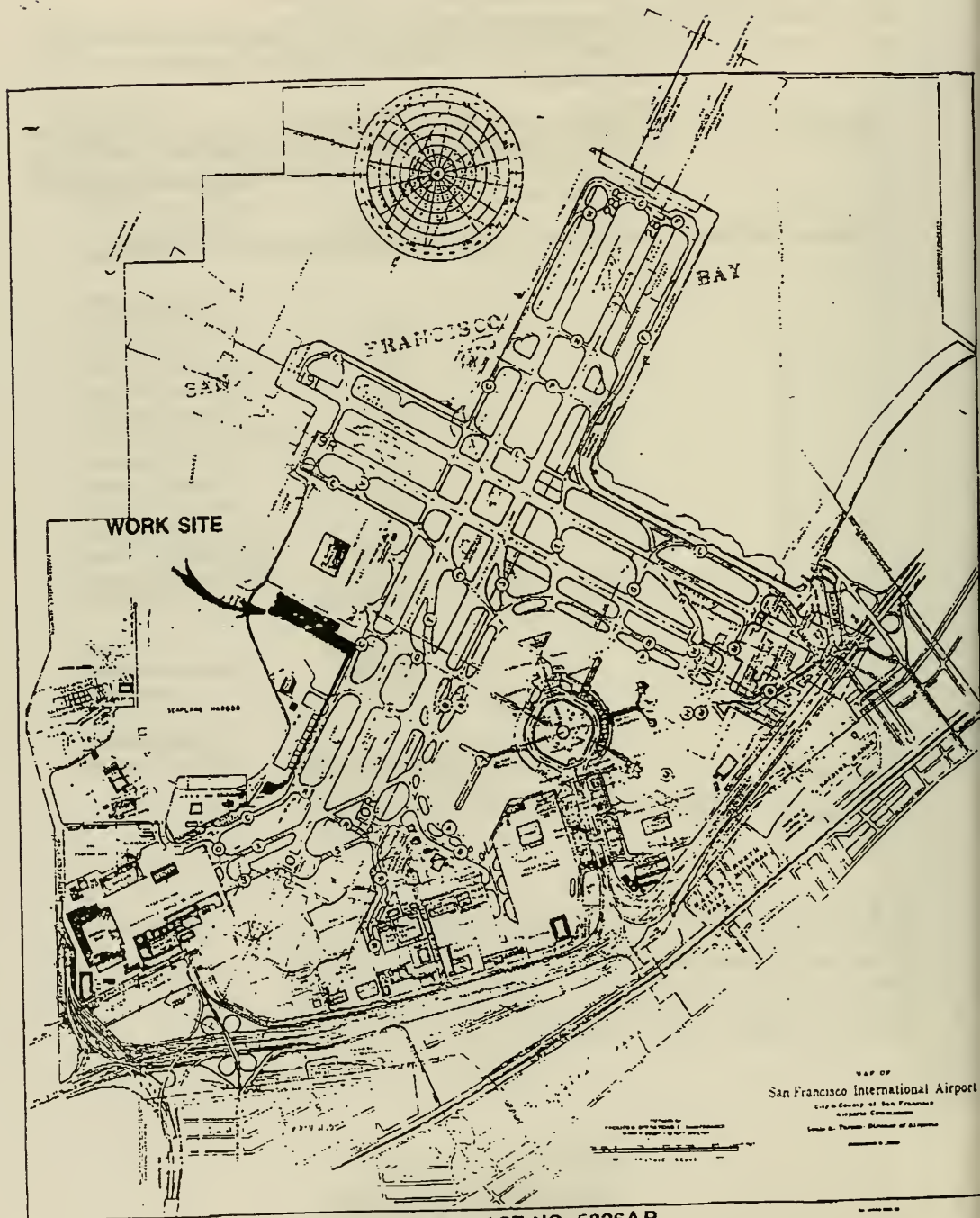
1. The contractor and subcontractor allocations reported to the Budget Analyst and shown in the table above sum to \$5,950,760, or \$38,985 less than the construction bid amount of \$5,989,745. Mr. Chung Tam of the Airport's Facilities, Operation and Maintenance Division reports that the difference is due to rounding in the various contract allocation bid documents.

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2. Attached to this report is a map of the Airport showing the location of Plot 41 where the new aircraft parking area will be constructed.

3. Work on the Plot 41 Hardstands is scheduled to begin immediately following approval of this requested release of reserve funds and the period of construction planned is 100 calendar days.

**Recommendation:** Release the reserved funds in the amount of \$6,489,745



AIRPORT CONTRACT NO. 5826AR  
PLOT 41 HARDSTANDS PHASE A

Item 4 - File 101-94-2.3

**Note:** This item was continued from the Budget Committee meeting of September 14, 1994.

The proposed ordinance would amend the previously approved FY 1994-95 Annual Appropriation Ordinance (AAO) (File No. 101-94-2), giving effect to revenue changes pursuant to Charter Section 6.208 and adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 6.400 (a) (2) (E) and adjusting appropriations to meet the requirements of the Airport, as a prerequisite to levy a tax pursuant to Charter Section 6.208. The proposed ordinance would make the following revenue and expenditure adjustments to the FY 1994-95 AAO:

- (a) Reduce previously appropriated funds in the amount of \$5,899 to the Art Commission for the Municipal Symphony Orchestra (based on the computation of one-eighth cent per \$100 of assessed valuation) as required by Charter Sections 6.400 (a) (2) (E) and 6.414.
- (b) Increase the General Fund Reserve by \$5,899 (see (a) above) from \$8,029,498 to \$8,035,397.
- (c) Reduce the revenues for the Airport by \$3,800,000 based on revised estimated airline landing fee revenues.

**Comments**

1. The FY 1994-95 budget included \$721,672 in Art Commission expenditures for the Municipal Symphony Orchestra. The proposed amendment to the AAO would reduce this appropriation by \$5,899 to \$715,773 for FY 1994-95 in accordance with the Charter requirements as noted in (a) above.

2 In addition to the General Fund - General Reserve balance of \$8,035,397 (after the \$5,899 adjustment), the City has General Fund Reserves totaling \$30,013,546, as detailed on the Attachment for a total of \$38,048,943 in General Fund Reserves.

3. The Airport's 1994-95 budget included \$27,755,137 in estimated airline landing fee revenues. Based on the latest schedule of airline landing fee rates, as approved by the Board of Supervisors (File 27-94-14.1) on September 6, 1994, the proposed ordinance would reduce the estimate for landing fee revenues by \$3,800,000 to \$23,955,137.

**Recommendation**

Approve the proposed ordinance.

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**GENERAL FUND RESERVES**  
**BALANCE AT OCTOBER 5, 1994**

<u>Title</u>	<u>Carry Forward 1993-94</u>	<u>Budgeted 1994-95</u>	<u>Total</u>
Emergency Reserve Fund	\$4,198,046		\$4,198,046
Reserve for Litigation	416,305	\$19,899,195	20,315,500
Potential Audit Adjustments		4,500,000	4,500,000
Employee Displacement (covers vested leave for laid-off employees)		500,000	500,000
Collective Bargaining Fringe (set aside to cover new Memoranda of Understanding (MOUs) not provided for in the budget)	_____	<u>500,000</u>	<u>500,000</u>
Subtotal	\$4,614,351	\$25,399,195	\$30,013,546
General Reserve Unallocated	_____	<u>8,035,397</u>	<u>8,035,397</u>
Total	\$4,614,351	\$33,434,592	\$38,048,943

Note: The 1994-95 General Reserve Unallocated amount of \$8,035,397 includes \$1,000,000 for possible replacement of Federal Asset Forfeit Seizure Grant funds for Department of Public Health substance abuse services.



Item 5 - File 172-94-18

**Item:** This item is a hearing to consider enacting a resolution urging a unified Citywide vending machine contract.

**Description:** Mr. Ara Minasian of the Purchasing Department reports that vending machine contracts are primarily negotiated by individual City departments. Mr. Minasian advises that, as such, the Purchasing Department does not presently have data to provide a City-wide listing of vending machines, their locations and the contractual revenue arrangements pertaining to such vending machines.

Mr. Minasian, advises that the Purchasing Department believes that a single City-wide vending machine contract might be cumbersome to administer and the Purchasing Department does not know, at this time, to what extent the City would benefit from such a contract.

Mr. Minasian notes that City departments vary in their use of vending machines (i. e., some are available only for employee use and some are for public use) and the present practice of City departments negotiating their own contracts for these services allows the departments to tailor these contracts to meet their specific needs. Mr. Minasian adds that some of the City's vending machine contracts which are currently in place may represent State of California Department of Rehabilitation concessions.

**Comments:**

1. The Budget Analyst's Zero Based Budget analysis (see Attachment) included recommendations that the Laguna Honda Hospital (LHH) and San Francisco General Hospital (SFGH) work with the Director of Purchasing and Services to solicit proposals from all of the major vending machine companies for the right to exclusive franchises at both LHH and SFGH. These recommendations were aimed at potentially increasing revenues to the City and improving the quality and comprehensiveness of vending services being provided at the two hospitals. As of the writing of this report, neither the Director of Purchasing and Services nor the Laguna Honda Hospital and the San Francisco General Hospital have implemented the recommendations of the Budget Analyst.
2. Mr. Minasian advises that the Purchasing Department was not advised of the issue regarding the above-noted recommendation of the Budget Analyst.

3. The Budget Analyst believes that the Budget Committee should request the Director of Purchasing and Services to send a letter to all City and County departments requesting the following information:

- a. A list of all vending machines operated on their premises.
- b. Details of the contractual arrangements with each vending machine company.
- c. The total amount of all revenues which have accrued to the City during fiscal year 1993-94 from such vending machines.
- d. The disposition of such revenues which have accrued to the City.
- e. The amount of revenues which are retained by each vending machine company.
- f. All fees paid by each vending machine company to the City.
- g. All other pertinent information concerning vending machine companies which are located in City-owned and operated facilities.

4. The Budget Committee should request the Director of Purchasing and Services to analyze the above-noted vending machine information obtained from all City departments and then report back to the Budget Committee, including recommendations on the feasibility of a Citywide vending machine contract.

5. The Budget Analyst will independently analyze the data reported by the Director of Purchasing and Services to the Budget Committee upon submission of such data by the Director of Purchasing and Services.

Department: Laguna Honda Hospital  
Program:

Recommended 1994-95 Funding Levels:

Department	Mayor's Office	Budget Analyst
\$	\$	\$

Explanation of Differences:

- Laguna Honda Hospital Vending Machine Revenues

All Laguna Honda Hospital, vending machine revenues go to the Hospital. However, pursuant to the terms of the current contract, the Hospital is receiving an estimated 4.56 percent on a projected \$58,000 in annual sales. This contract also specifies certain preferential prices such as 45 cents for potato chips, \$1.75 for sandwiches, 50 cents for canned beverages and 25 cents for hot drinks in lieu of a commission on canned beverage sales. However, these terms are not fully complied with. Potato chips are sold for 70 cents instead of 45 cents and sandwiches are sold for \$2.00 instead of \$1.75.

Currently, all revenue from vending machine sales at SFGH is received by the Volunteers to San Francisco General Hospital Non-Profit Organization pursuant to an agreement between the Hospital Director and the volunteers. The volunteers entered into an agreement in 1977 which provides for vending machine services at the Hospital including a commission of five percent of gross sales for the volunteers. Based on FY 1992-93 vending sales of an estimated \$33,500, the volunteers received commissions of \$1,675. Total food sales including the Cafe General and the Hot Food Truck amounted to approximately \$665,000 on which the volunteers received commissions of about 12.5 percent.

In order to improve the quality of vending services and increase the revenue to the hospitals, these service arrangements should be reevaluated. If the Purchaser were to solicit proposals from all of the major vending machine companies for the right to exclusive franchises at both hospitals, it is possible that the percentage commissions bid and the quality and comprehensiveness of service would all increase. As an example, the County of Santa Clara has an exclusive vending machine contract with a major vending machine company for one of its departments which guarantees the County 30 percent of gross revenues.

If in response to the request for proposal, the City were to award a new contract for both hospitals, the increase in revenue at SFGH could go to the Hospital and the volunteers could continue to get their same percentage. Based on 20 percent of gross sales and standardized pricing at both hospitals, it is estimated that SFGH would realize about \$5,000 in annual vending machine revenue and Laguna Honda would receive increased revenues of approximately \$9,000. If the commissions from all food sales at SFGH increased to the twenty percent level as a result of the suggested competitive process, approximately \$50,000 of additional revenue would be generated at SFGH.

## FY 1994-95 Recommendations

Department: San Francisco General Hospital  
Program: N/A

Recommended 1994-95 Funding Levels:

Department	Mayor's Office	Budget Analyst
\$	\$	\$

Explanation of Differences:

- San Francisco General Hospital Vending Machine Revenues

Currently, all revenue from vending machine sales at SFGH is received by the Volunteers to San Francisco General Hospital Non-Profit Organization pursuant to an agreement between the Hospital Director and the volunteers. The volunteers entered into an agreement in 1977 which provides for vending machine services at the Hospital including a commission of five percent of gross sales for the volunteers. Based on FY 1992-93 vending sales of an estimated \$33,500, the volunteers received commissions of \$1,675. Total food sales including the Cafe General and the Hot Food Truck amounted to approximately \$665,000 on which the volunteers received commissions of about 12.5 percent.

At Laguna Honda Hospital, vending machine revenues go to the Hospital. However, pursuant to the terms of the current contract, the Hospital is receiving an estimated 4.56 percent on a projected \$58,000 in annual sales. This contract also specifies certain preferential prices such as 45 cents for potato chips, \$1.75 for sandwiches, 50 cents for canned beverages and 25 cents for hot drinks in lieu of a commission on canned beverage sales. However, these terms are not fully complied with. Potato chips are sold for 70 cents instead of 45 cents and sandwiches are sold for \$2.00 instead of \$1.75.

In order to improve the quality of vending services and increase the revenue to the hospitals, these service arrangements should be reevaluated. If the Purchaser were to solicit proposals from all of the major vending machine companies for the right to exclusive franchises at both hospitals, it is possible that the percentage commissions bid and the quality and comprehensiveness of service would all increase. As an example, the County of Santa Clara has an exclusive vending machine contract with a major vending machine company for one of its departments which guarantees the County 30 percent of gross revenues.

If in response to the request for proposal, the City were to award a new contract for both hospitals, the increase in revenue at SFGH could go to the Hospital and the volunteers could continue to get their same percentage. Based on 20 percent of gross sales and standardized pricing at both hospitals, it is estimated that SFGH would realize about \$5,000 in annual vending machine revenue and Laguna Honda would receive increased revenues of approximately \$9,000. If the commissions from all food sales at SFGH increased to the twenty percent level as a result of the suggested competitive process, approximately \$50,000 of additional revenue would be generated at SFGH.

S/9/94



Item 6 - File 165-94-4.1

**Note:** This item was continued by the Budget Committee at its meeting of October 5, 1994.

**Item:** Motion directing the Budget Analyst to provide information, on an expedited basis, to the Board of Supervisors regarding lost revenue caused by the Tax Collector's failure to collect license and permit fees.

**Description:** The proposed motion would direct the Budget Analyst to provide, on an expedited basis, information to the Board of Supervisors regarding the amount of lost revenue caused by the failure to collect license and permit fees and the amount of funds that can possibly be captured from this analysis for the fiscal year 1994-95 budget.

The Board of Supervisors previously approved a motion directing the Budget Analyst to conduct a management audit of the Tax Collector's Office. A comprehensive review of the License and Permit Division in the Tax Collector's Office is being done as part of this previously assigned audit, including any failures or potential abilities of this Division to generate additional revenues for the City and County of San Francisco. The Budget Analyst's Office is currently working on this comprehensive Tax Collector's audit and anticipates the audit to be completed in early 1995.

The Budget Analyst notes that although the potential revenues to be identified by such a review may be significant, given that this audit has only recently begun, the Budget Analyst is unable, at this time, to estimate the amount of additional revenues that may be identified by a separate review of the Tax Collector's License and Permit Division.

Regarding the collection of any such potential uncollected revenue, Mr. Harrington advised that the Controller's Office would not be able to certify such revenues unless subsequent revenue projections, based on hard data, clearly demonstrate that such revenues are in fact collectible for fiscal year 1994-95.

**Recommendation:** Approval of the proposed motion is a policy matter for the Board of Supervisors.





Item 7 - File 127-94-10

**Department:** Tax Collector's Office

**Item:** Ordinance amending Part III, Sections 905-A and 1005.3 of the San Francisco Municipal Code to require that taxpayers file a tax return in order to be eligible for the Small Business Tax Exemption for tax liabilities arising on or after January 1, 1995.

**Description:** Section 905-A of the City's Municipal Code currently exempts small business enterprises from paying Payroll Taxes to the City (taxes on payroll expenses), while Section 1005.3 of the Municipal Code currently exempts small business enterprises from paying the Gross Receipts Taxes to the City. Effective January 1, 1995, a small business enterprise is defined as any business whose tax liability is \$2,500 or less, except that businesses engaged in the selling of firearms and firearms ammunition are not eligible for the small business tax exemption.

The proposed amendment to Sections 905-A would require taxpayers to file an annual tax return (City's Business Receipts and Payroll Tax Statement) pursuant to Section 907 of Article 12-A in order to qualify as a small business enterprise and therefore be exempt from the Payroll Taxes for that year. Similarly, the proposed amendment to Section 1005.3 would require taxpayers to file an annual Business receipts and Payroll Tax Statement pursuant to Section 1009 of Article 12-B in order to qualify as a small business enterprise and be exempt from the Gross Receipts Taxes for that year. Businesses engaged in the selling of firearms and firearms ammunition would still be ineligible for the small business tax exemption effective January 1, 1995.

**Comments:** 1. Mr. Patrick Sha of the Business Tax Division of the Tax Collector's Office reports that all businesses are currently required to file a Business Receipts and Payroll Tax Statement, regardless of their exemption status. However, he reports that some businesses eligible for the Small Business Tax Exemption do not file these Tax Statements simply because they do not owe any taxes. Under the proposed amendments to the Municipal Code, businesses which do not file the annual Tax Statement with the City would lose their tax exempt status for that year.

2. Mr. Sha reports that the current penalty for not filing a Business Receipts and Payroll Tax Statement is \$100. However, Mr. Sha reports that the current ordinance is difficult to enforce and that the proposed amendments would provide an additional compliance tool for the Tax Collector's Office.

3. According to Mr. Sha, he estimates that the proposed legislation would result in an additional 18,000 to 20,000 businesses submitting their annual Tax Statements to the Tax Collector's Office. Mr. Sha reports that future additional office computer efficiencies could enable the Business Tax Division to handle this additional workload with existing staff resources.

4. The proposed amendment would affect business tax liabilities accruing on or after January 1, 1995. Therefore, businesses would not be required to file their Business Receipts and Payroll Tax Statements for calendar year 1995, until the Spring of 1996.

5. According to Mr. Sha, small business enterprises were exempt from the City's Payroll and Gross Receipts Taxes in 1993 and 1994, if their tax liability did not exceed \$1,000. However, as a result of recent legislation approved by the Board of Supervisors, effective January 1, 1995, small business enterprises will be exempt from the City's Payroll and Gross Receipts Taxes if their tax liability does not exceed \$2,500.

6. Mr. Sha reports that the proposed amendment to the Municipal Code may result in increased revenues to the City only if businesses that fail to file Tax Statements lose their exemption status. Such businesses (who would otherwise be exempt from the City's Payroll and Gross Receipts Taxes) would now owe the City for these taxes. However, at this time, Mr. Sha is unable to make an estimate of the potential additional revenues which may accrue to the City as a result of this proposed amendment.

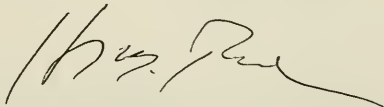
7. According to Mr. Sha, the Tax Collector's Office maintains records of businesses that have filed a Business Receipts and Payroll Tax Statement, even if such a business has not filed a Statement in recent years. The Tax Collector's Office, if the proposed amendment were approved, could recover tax revenues from businesses that are on the tax rolls but have not filed a Tax Statement for the most recent calendar year. However, Mr. Sha reports that there are some businesses

Memo to Budget Committee  
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that have never filed Tax Statements, and the Tax Collector's Office is currently exploring means of locating these businesses and recovering tax revenues from such businesses.

8. Mr. Richard Sullivan of the Tax Collector's Office reports that the proposed legislation would provide a better overall enforcement tool for the Tax Collector's Office and save the Tax Collector significant staff time currently spent trying to track down businesses that do not file their annual Tax Statements.

**Recommendation:** Approve the proposed ordinance.



Harvey M. Rose

cc: Supervisor Hsieh  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Migden  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey





CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

October 17, 1994

**TO:** Budget Committee

**FROM:** Budget Analyst *Recommendations.*

**SUBJECT:** October 19, 1994 Budget Committee Meeting

DOCUMENTS DEPT.

OCT 19 1994

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Items 1 and 2 - Files 97-94-32 and 97-94-33

**Note:** These items were continued by the Budget Committee at its meeting of October 5, 1994. As of the writing of this report an Amendment of the Whole is being prepared which would change various dates of submission and funding percentages related to budget submissions. This report is based on the legislation submitted prior to the Amendment of the Whole.

**Department:** Mayor's Office  
Board of Supervisors

**Items:**

1. Ordinance (File 97-94-32) amending the Administrative Code by amending Section 3.17-1 to require each City department and agency to relate its budget review justifications to (a) its mission and goals statement and (b) its three-year program priority assessment and phasing in such requirements over three years.

2. Ordinance (File 97-94-33) amending the Administrative Code by adding Section 3.18.

**Description:**

In June, 1994, the San Francisco voters approved Proposition G which requires that the City's "line-item" budget be replaced with a "mission-driven" budget. Under Proposition G, each department must spell out its goals and organize its budget according to those goals. For each goal, the department is required to spell out what it will do to meet that goal, whom it expects to serve and how much it will cost. The budget will also include an evaluation of the department's performance in the year before.

According to Proposition G, each Department shall provide the Mayor and the Board of Supervisors with the following details regarding its budget:

- a) the overall mission and goals of the department.
- b) the specific programs and activities conducted by the department to accomplish its mission and goals.
- c) the customer(s) or client(s) served by the department.
- d) the service outcome desired by the customer(s) or client(s) of the department's programs and activities.
- e) strategic plans that guide each program or activity.
- f) productivity goals that measure progress toward strategic plans.
- g) the total cost of carrying out each program or activity.
- h) the extent to which the department achieved, exceeded, or failed to meet its missions, goals, productivity objectives, service objectives, strategic plans and spending constraints identified in subsections a through f during the prior year.

The proposed ordinance (File 97-94-32) would also require departments to specifically respond to how the department's proposed budget is consistent with the department's "Three-Year Program Priority Assessment and Mission and Goals Statement." This requirement was not part of Proposition G.

In accordance with Proposition G, the proposed ordinance (File 97-94-32) would be implemented in the following three phases, over three years, with the Mayor to be responsible for identifying one-third of the City's departments which would be required to have a "mission-driven" budget for each of the three years (See Comment #1).

- Phase 1 Departments (beginning for FY 1995-96): Police Department, Fire Department, Sheriff, Public Utilities (Water Department and Hetch-Hetchy), Airport, Superior and Municipal Courts (Trial Courts), Adult Probation, District Attorney, Public Defender and Redevelopment Agency.
- Phase 2 Departments (beginning for FY 1996-97): Public Health Department, Department of Social Services, Public

**BOARD OF SUPERVISORS**  
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Transportation, Parking and Traffic, Port, Public Works and the Recreation and Park Department.

- Phase 3 Departments (beginning for FY 1997-98): All other departments not specified as Phase 1 or Phase 2 departments.

In addition to implementing Proposition G, the proposed ordinances (Files 97-94-32 and 97-94-33) would require departments to submit three-year long-range budgetary planning information to the Mayor and the Board of Supervisors, which was not required under proposition G. Specifically, the proposed ordinance (File 97-94-33) would add Section 3.18 of the Administrative Code, requiring the following activities:

- 1) Each City Department must develop long-term departmental and agency budget planning-setting goals and strategies, including developing an annual mission and goals statement for developing its budget estimate for the next fiscal year, to be submitted to the Mayor no later than January 1. The Mayor would be required to review each department's mission and goals statement, and the Board of Supervisors would consider these mission and goals statements as part of the annual budgetary process. These mission and goals statements also would require departments to submit additional information that has not been required under Proposition G, such as specifying how the department plans to foster its successes and remedy its deficiencies. In addition, the proposed ordinance (File 97-94-33) would require the Mayor to prepare a written statement of the City's missions and goals, which also reports the City's success in meeting those standards. The Board of Supervisors would consider these mission and goals statements, as well as the City's overall mission and goals statement as part of the annual budgetary process.
- 2) Each City Department would be required to develop a "Three-Year Priority Assessment" of governmental programs and services, by annually evaluating the importance of all programs and services within its jurisdictions, and ranking them in writing from "most essential to least essential". This ranking of all programs must be submitted to the Mayor by January 1. The Mayor would be required to review each department's priority assessment and report in writing how it conforms or contrasts with the City's budget, and the Board of

Supervisors would consider these assessments as part of the annual budgetary process.

- 3) Each City Department would be required to develop a "Three-Year Budget Plan" that projects revenues and expenditures for the next three years. This three-year plan must be submitted to the Controller no later than January 1. The Controller would consolidate these budget plans and transmit them to the Mayor no later than April 15. The Mayor then would review the budget plans, and report in writing how it conforms or contrasts with the City's budget. The Board of Supervisors would consider these budget plans as part of the annual budgetary process.

**Comments:**

1. Ms. Teresa Serata of the Mayor's Office has provided the attached copy of a memo from the Mayor which has been transmitted to all departments requesting that the following (Phase 1) departments submit a "mission-driven" budget by February 1, 1995 for FY 1995-96:

District Attorney	Port*
Sheriff	Public Library*
Treasurer/Tax Collector*	Recreation and Park*
Trial Courts	Water Department
Ethics*	Telecommunications*
Mayor*	Community Health*
Commission on Aging*	Laguna Honda*
San Francisco General Hospital*	Municipal Railway*
Police Department	Mental Health*
Purchaser*	

\*Although all of these Phase 1 departments are to submit a "mission driven" budget by February 1, 1995, those 14 departments identified with an asterisk have not been listed in the proposed ordinance (File 97-94-32).

In addition, six other departments which have been listed in the proposed ordinance (File 97-94-32) should be deleted from the ordinance because such departments were not designated as Phase 1 departments by the Mayor. The designated departments that should be deleted are the Fire Department, Adult Probation, Juvenile Probation, the Public Defender, the Redevelopment Agency and Hetch Hetchy. Therefore, the proposed ordinance (File 97-94-32) should be amended to include only those departments (Phase 1) designated by the Mayor as required to comply with Proposition G for FY 1995-96.

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2. In addition, Ms. Serata indicates that the Mayor's Office would also assist departments with developing clearly defined mission and goal statements, and is currently developing a method to incorporate these missions and goals into the financial reporting system of the Controller's Office.

3. The Controller has determined that the Charter Amendment (Proposition G) in and of itself should not affect the cost of government. According to Ms. Serata, because the proposed ordinances (Files 97-94-32 and 97-94-33) would also require departments to respond to how their proposed budget is consistent with a "Three-Year Program Priority Assessment" and require developing a "Three-Year Budget Plan" which were not required under Proposition G, there may be some additional time expended or costs incurred for activities at the department level. Mr. John Madden of the Controller's Office also reports that more departmental staff time would have to be spent developing the "Three-Year Program Priority Assessment" and "Three-Year Budget Plan." Such departmental costs, if any, associated with the proposed ordinances (Files 97-94-32 and 97-94-33) have not yet been estimated.

4. The aforementioned memo from the Mayor (Attachment) regarding "mission-driven" budgeting does not request that departments comply with the "Three-Year Program Priority Assessment" or the "Three-Year Budget Plan" As noted, requiring departments to complete a Three-Year Program Priority Assessment and Budget Plan is part of the proposed ordinances (Files 97-94-32 and 97-94-33), but not part of the provisions of Proposition G.

5. Proposition G further states "Within thirty days of the Controller's issuance of the combined annual financial report of the City and County of San Francisco, the Controller shall report to the Mayor and the Board of Supervisors regarding the extent to which each department has succeeded in the prior fiscal year in achieving savings measured by the difference between projected and experienced expenditures and the extent to which each department in the prior fiscal year has recovered additional revenues measured by the difference between projected and experienced revenues. The people of the City and County of San Francisco declare that it shall be City policy to encourage the Mayor and the Board of Supervisors, upon receipt of this report, through the supplemental appropriation process to give serious consideration to rewarding those departments that the Controller has certified pursuant to this section exceeded their revenue goals or met or exceeded departmental

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operational goals expending less than had been projected in the budget."

**Recommendations:** 1. Amend the proposed ordinance (File 97-94-32) to indicate those Phase 1 departments designated by the Mayor, which are required to comply with Proposition G in FY 1995-96 (See Comment #1). Those 14 departments that should be added to the proposed ordinance (File 97-94-32) are as follows:

Treasurer/Tax Collector	Port
Ethics	Public Library
Mayor	Recreation and Park
Commission on Aging	Telecommunications
Municipal Railway	Community Health
Purchaser	Laguna Honda
San Francisco General Hospital	Mental Health

Those six departments that should be deleted from the proposed ordinance (File 97-94-32) because such departments were not designated by the Mayor as Phase 1 departments, are as follows:

Fire Department	Public Defender
Adult Probation	Redevelopment Agency
Juvenile Probation	
Hetch Hetchy	

2. Based on the prior policy decision of the Board of Supervisors and in accordance with approval of Proposition G by the San Francisco electorate, approve those sections of the proposed ordinance (File 97-94-32) consistent with Proposition G, as amended.

3. Approval of the sections of the proposed ordinance (File 97-94-32) requiring departments to submit a "Three-Year Program Priority Assessment" and approval of the proposed ordinance (File 97-94-33) requiring departments to submit additional three-year planning information, provisions which were not requirements of Proposition G, are policy matters for the Board of Supervisors.

Office of the Mayor  
SAN FRANCISCO



FRANK M. JORDAN

September 21, 1994

Department Heads  
City and County of San Francisco

Dear Department Heads:

This past June, voters approved Proposition G, the Mission Driven Budgeting Amendment (full text attached). The City charter now requires the Mayor to identify the City departments to begin Mission Driven Budgeting next year. Therefore, this letter is to inform you that I have selected the following departments to begin Mission Driven Budgeting with the FY 1995-96 budget:

- |                              |                            |
|------------------------------|----------------------------|
| (04) District Attorney       | (39) Port                  |
| (06) Sheriff                 | (41) Library               |
| (08) Treasurer/Tax Collector | (42) Recreation and Park   |
| (12) Trial Courts            | (47) Water                 |
| (18) Ethics                  | (75) Telecommunications    |
| (25) Mayor                   | (83) Community Health      |
| (26) Commission on Aging     | (85) Laguna Honda          |
| (27) Airport                 | (86) San Francisco General |
| (35) Muni                    | (87) Mental Health         |
| (38) Police                  | (91) Purchaser             |

Although at minimum one-third of City departments are mandated to implement Mission Driven Budgeting this year, all other departments are invited to participate during the FY 1995-96 budget cycle.

The Mission Driven Budget process represents a singular opportunity to improve San Francisco's budget process. We will shift our focus from the annual incremental change in expenditure line items to the overall mission of the department, the specific programs that enable a department to accomplish its goals, the inputs used to accomplish a program's work program, the outcomes or end results accomplished and the sources of funds used to complete this work.

I believe the requirements of Mission Driven Budgeting will easily fit into the Program Budget format that was prepared by each department for the FY 1994-95 budget. To fully comply with the intent of the new law, the information in the Program Budget will need to be reviewed, refined and improved.

Mission Driven Budgeting  
Page Two

In my view, four elements of the program budget are critical to the City's successful transition to Mission Driven Budgeting:


- Clear program definition: All departments should review, and as necessary rethink, the appropriate program breakdown of overall functions. Proper program definition in the next few months is critical in order to develop a consistent format with the Controller's new on-line FAMIS accounting system.
- Meaningful performance measures: Numerous and quantifiable performance measures should accurately identify all program outcomes.
- Strategic Plans: A clear strategic plan describing the methods for achieving program goals must be developed.
- Accurate budget numbers: Expenditure, revenue and position figures must accurately reflect each program's components.

I have instructed my budget staff in cooperation with the Controller to work closely with all City Departments to help refine and improve these program budgets.

Every department is invited to send a representative to a planning meeting on Thursday October 13 from 1 - 3 p.m. in room 300, 101 Grove Street. All participating departments are requested to send their Budget Officer to this meeting where we will further detail the process to complete the mission driven budget as well as get each department's ideas and suggestions on its implementation. Individual and group follow-up training sessions will be conducted as required. Please contact your budget analyst directly if you have any questions and to confirm attendance at the planning meeting.

The Mission Driven Budgeting amendment provides a unique opportunity for San Francisco to rethink and reinvent its budget process. I want to thank all of you for your efforts to make it a success.

Sincerely,



Frank M. Jordan  
Mayor

cc Department Budget Officers

FMJ:jm

Item 3 - File 124-94-7

**Department:** Department of Parking and Traffic (DPT)

**Item:** Ordinance amending Section 202.C of the San Francisco Traffic Code to authorize the Director of Parking and Traffic to issue parking permits to pest control companies for company vehicles parked within a parking meter zone.

**Description:** Section 202.C of the San Francisco Traffic Code currently authorizes the Director of Parking and Traffic to issue to licensed construction contractors an annual parking permit that allows parking in a parking meter zone by motor vehicles used in the course of construction work. A motor vehicle displaying such a parking permit may be parked in a parking meter zone without the deposit of any coins in the parking meter. Such permits may be issued for a period of 12 consecutive months that begin, in any calendar year, on June 1. The Director of Parking and Traffic is authorized to issue no more than eight parking permits per licensed construction contractor, except under circumstances as set forth in Section 202.C, in which case the contractor can receive up to an additional five parking permits. The fee for the issuance of each of the contractor's parking permits is \$255 if purchased in the first six months of the permit year and \$175 if purchased in the last six months of the permit year.

The proposed ordinance would amend Section 202.C of the Traffic Code by authorizing the Director of Parking and Traffic to issue parking permits to pest control companies, in addition to licensed construction contractors, so that such pest control companies can park their vehicles in parking meter zones while performing pest control services. Pest control companies would be subject to the same rules and regulations regarding parking permits as outlined in Section 202.C of the Traffic Code that now apply to construction companies, except that they would be required to own a business license rather than a construction contractor's license. As with construction contractors, pest control companies would be required to pay \$255 per parking permit if issued in the first six months of the permit year and \$175 if issued in the second six months of the permit year.

The Department of Parking and Traffic (DPT) estimates that the issuance of parking permits to pest control companies would generate additional revenues to the City of between \$3,000 and \$4,000 per year.

**Comment:** According to Ms. Antoinette Coe of DPT's Enforcement Division, such parking permits, which have been issued to licensed construction contractors and are proposed to be issued to pest control companies, would be issued to only these two types of businesses because there has not been a significant demand for such parking permits from other types of businesses.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 4 - File -285-94-2

**Item:** Hearing to consider changes in the contract between the City and County of San Francisco and Pacific Gas and Electric Company regarding the amount of franchise fees currently paid to the City.

**Description:** In 1939, under Ordinance No. 414, the City granted the Pacific Gas and Electric Company (PG&E), its Successors and Assigns a franchise agreement (rights) to deliver, transmit, distribute and supply the City and County of San Francisco, and its inhabitants with electricity. The franchise agreement grants PG&E easement rights to use the City streets with respect to (1) accessing all existing appurtenances (poles, wires, conduits, transmission lines, etc.) necessary to provide electricity and (2) constructing all such appurtenances necessary to provide electricity to the City. Ordinance No. 413 was also adopted which granted PG&E a similar franchise agreement with regard to providing natural gas to the City.

At the time the ordinances granting franchise agreements to PG&E were adopted, the State of California had previously granted rights to "persons and corporations" to supply electricity to inhabitants of the State for specific purposes. As such, the franchise agreements authorized under Ordinance No. 413 and Ordinance No. 414 specifically excluded from this grant of franchise rights any electricity or any natural gas, delivered to the City and its inhabitants by PG&E, which was regulated under, and supplied for purposes specified in Section 19 of Article XI of the Constitution of the State of California. However, Section 19 of Article XI was repealed October 10, 1911. Article XI, Section 9 now governs the establishment and operation of utilities by local governments, and/or persons or corporations. Article XI, Section 9 (b) states "*Persons or corporations may establish and operate works for supplying those services upon conditions and under regulations that the city may prescribe under its organic law.*" The "services" implied in Section 9 (b) of Article XI are utilities that would include natural gas and electricity supplied by PG&E.

In exchange for the franchise agreements granted by the previously-cited ordinances, PG&E agreed to pay the City a one-time sum of \$200,000 for each franchise agreement, plus a percentage of its gross receipts for the sale of electricity and natural gas, including electricity and natural gas supplied pursuant to the State constitutional franchise in the City's service area, on an annual basis. Each year, a total of one percent of the gross receipts from the sale of natural gas and

one-half of one percent of the gross receipts from the sale of electricity are to be remitted to the City by PG&E. PG&E remits franchise fees to the City based on total sales of natural gas and electricity within the City less sales to Treasure Island, the Presidio, any interdepartmental sales (such as the cost of supplying electricity to buildings and other properties owned by PG&E) and any uncollectible billing charges.

To certify data used to calculate the gross receipts of PG&E for the sale of natural gas and electricity to the City, and the amount of the franchise fees to be remitted to the City, Section 11.7 of the San Francisco Administrative Code (Administrative Code) authorizes the Controller to examine the provisions of the franchise agreement and to conduct a financial audit on an annual basis. Section 11.7 of the Administrative Code also requires the Controller to file an annual report with the Board of Supervisors showing in detail how PG&E is complying, or failing to comply with the terms and conditions of the franchise agreement.

The Controller's Office, indicates that it is currently conducting an audit of the franchise fees remitted to the City by PG&E for 1991, 1992, and 1993. According to a representative of PG&E's accounting staff, a total amount of \$3,909,424.56 in franchise fees for electricity and natural gas was remitted to the City for calendar year 1993. The \$3,909,424.56 remitted to the City in franchise fees is itemized as follows:

<b>Electricity</b>	<b>\$2,453,263.36</b>
<b>Natural Gas</b>	<b><u>1,456,161.20</u></b>
<b>Total</b>	<b><u>\$3,909,424.56</u></b>

PG&E also remitted franchise fees to the City for the sale of steam. The total amount of \$3,943,989.09 in franchise fees paid to the City for 1993 includes the payment of \$34,564.53 for steam. During 1993, PG&E sold its steam facilities to San Francisco Thermal, a Limited Partnership. The \$34,564.53 remitted to the City by PG&E for calendar year 1993 represents the two percent franchise fee on gross receipts of PG&E (\$1,728,226.50) arising from the use, operation or possession of the franchise rights for steam, as well as the sale of steam to City customers, prior to transferring ownership of the steam facility. Beginning in calendar year 1994, the City will receive steam franchise fees from San Francisco Thermal in the amount of two percent of the gross annual receipts arising from the use, operation, or possession of the franchise rights for steam and/or condensate furnished by San Francisco Thermal within the limits of the City under the franchise granted by Ordinance No. 418-75, instead of PG&E.

Gross receipts, as reported by PG&E in 1993, for the sale of electricity (\$490,652,672), natural gas (\$145,616,120), and steam (\$1,728,226.50) are based on existing utility rates charged for specific classifications of customers. As noted above, the Controller's Office is in the process of auditing such franchise receipts. According Ms. Liz Bacon of PG&E, during 1993, the average residential customer paid \$0.1225 per kilowatt hour (kwh) for electricity (an average of \$42.48 per month) and \$5.59 per million cubic feet (mcf) for natural gas (an average of \$31.07 per month). Residential customers would include any single and multi-family dwellings in the City. PG&E also reports that during the same time period, 1993, the average commercial customer paid \$0.1110 per kwh for electricity (an average of \$220.72 per month for small commercial customers and \$3,234.00 for medium-sized commercial customers) and \$5.70 per mcf for natural gas. Commercial customers would include any business such as hotels, department stores, and restaurants but would not include any business that would be classified as industrial or manufacturing.

**Comments:**

1. According to the Ordinances cited above, all rights granted under the local franchise agreements (Ordinance Nos. 413 & 414) are in full force until the easement rights granted by the franchise agreements are voluntarily surrendered or abandoned by PG&E or until the City acquires all of the property used in the exercise of the franchises. The property can be acquired by the City through purchase or through condemnation by invoking the powers of eminent domain. PG&E could also forfeit its easement rights through failure to comply with the terms and conditions of the franchise agreement.

2. There has not been any change in the rates of the franchise fees paid by PG&E since the approval of the ordinance in 1939 (55 years). Such rates are one half of one percent of the gross receipts for electricity and one percent of the gross receipts for natural gas. According to Mr. John Roddy of the City Attorney's Office, PG&E may assert that its franchise rights are perpetual, as it has argued with other counties (for instance, Kern Co. v. PG&E (1980) 108 Cal. App. 3d 418). and that, therefore, the City could not increase its Franchise Fee rate to PG&E. Mr. Roddy also advises the Budget Analyst that the City Attorney's Office indicates that PG&E's position may be flawed and that the City Attorney's Office is actively assessing the City's options.

3. Franchise fees currently paid by PG&E (percentages of gross receipts on the sale of electricity and natural gas) to neighboring jurisdictions (Santa Clara County, Alameda County, Contra Costa County, and the City of San Jose) are as follows:

Santa Clara County	Electricity	2%
	Natural Gas	2%
Alameda County	Electricity	2%
	Natural Gas	2%
Contra Costa County	Electricity	2%
	Natural Gas	2%
City of San Jose	Electricity	2%
	Natural Gas	2%
Average rate for electricity		2%
Average rate for natural gas		2%

4. Franchise fees paid to the City are considered a cost of doing business for PG&E. It is possible that PG&E would attempt to pass such costs on to rate-payers. However, the California Public Utilities Commission (CPUC must approve any PG&E proposed rate increases.

5. Changes to the franchise fees notwithstanding, the Board of Supervisors may wish to consider amending the existing ordinances to remove references to Article XI Section 19 of the Constitution of the State of California, which was repealed on June 2, 1970.

6. Based on the fact that the same, existing franchise fee rates payable by PG&E to the City have been in effect for 55 years, without change, and based on higher Franchise Fee rates which PG&E pays to other Bay Area cities and counties (which are also based on a percentage of gross receipts), the Budget Committee may want to request that the Office of the Chief Administrative Officer (CAO) or the Public Utilities Commission (PUC) explore a Franchise Fee rate increase to PG&E. The impact, if any, from such a Franchise Fee rate increase, to San Francisco customers, should also be considered by the Office of the CAO or the PUC.



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7. Based on the average Franchise Fee rates on electricity and natural gas under which some other Bay Area counties and cities charge PG&E, the City could receive an estimated \$8,550,000 (see table below) in annual increased revenues if the City's Franchise Fee rate were increased to reflect the average of the Franchise Fees paid by PG&E to Bay Area jurisdictions listed above.

Current Franchise Fee Rates (% of gross <u>receipts</u> )	Budgeted FY 1994-95 Franchise Fee Revenue Based on Existing 1/2 Percent Rate for Electricity Sales and 1 Percent Rate for <u>Natural Gas Sales</u>	Potential Franchise Fee Revenue based on a 2 Percent Percent Rate for Electricity Sales and 2 Percent Rate for <u>Natural Gas Sales</u>	Net Annual Franchise Fee Revenue Increase Payable by PG&E <u>to the City</u>
Electricity	\$2,350,000	\$9,400,000	\$7,050,000
Natural Gas	<u>1,500,000</u>	<u>3,000,000</u>	<u>1,500,000</u>
Total	\$3,850,000	\$12,400,000	\$8,550,000

8. According to Ms. Anne Jenkins of the Controller's Office, all such franchise fees paid to the City by PG&E accrue to the City's General Fund.

9. The Budget Committee may also wish to request a formal opinion from the City Attorney pertaining to this subject matter.





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Item 5 - File 28-94-13

**Department:** Department of Public Works (DPW)  
War Memorial and Performing Arts Center

**Item:** Resolution approving a declaration of emergency to take necessary measures to replace the roof of the Harold L. Zellerbach Rehearsal Hall, at a cost of \$60,000.

**Amount:** \$60,000

**Source of Funds:** War Memorial Reserve Fund

**Description:** The Harold L. Zellerbach Rehearsal Hall, located at the corner of Franklin and Hayes Streets, consists of three rehearsal facilities which are rented out by the War Memorial to various performing groups for rehearsal activities. According to the War Memorial, the Harold L. Zellerbach Rehearsal Hall, has had a history of roof leakage over the past ten years. During this period of time, the War Memorial has implemented numerous remedial repairs to the roof with marginal success. The War Memorial advises that significant rain water leakage occurred in this Hall during late 1993 and early 1994, causing damage to the ceiling and stage facilities and disrupting various functions in the building. Mr. Harry Craycroft of the DPW, Bureau of Building Repair states that the condition of the roof is such that to avoid the certainty of additional damage to the Rehearsal Hall, the roof must be replaced in its entirety as soon as possible prior to the anticipated rains in the fall of 1994.

As previously noted, the roof leakage condition has existed for approximately 10 years. The War Memorial reports that an emergency declaration is now necessary because the War Memorial only recently became aware that further repair to the roof was no longer a viable option and that, instead, the entire roof must be replaced prior to the rainy season in order to prevent further damage to the building.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure to acquire the necessary contract services to replace the roof of the Zellerbach Rehearsal Hall. A contract has been awarded in the amount of \$60,000 to Gonzales Roofing and Water Proofing Company, a registered MBE firm.

Mr. Craycroft advises that the emergency repair work on the roof is scheduled to commence by or before the end of October,

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1994 and is anticipated to be completed within approximately one month.

**Comment:**

Pursuant to Section 10.100 of the Administrative Code, 15 percent of the annual earned revenue ( i.e., from rent and concession revenues) of the War Memorial is deposited to the War Memorial Reserve Fund to be used exclusively for necessary capital improvements, additions, reconstruction and replacements due to physical and functional depreciation, to the buildings under the jurisdiction of the War Memorial.

**Recommendation:** Approve the proposed resolution.

Item 6 - File 101-94-17

**Department:** Department of Public Works (DPW)

**Item:** Supplemental Appropriation Ordinance appropriating \$71,596 for a capital improvement project to pay for 10 percent overage on the project contract budget, pursuant to Charter Section 7.203, and providing for ratification of action previously taken by the Department of Public Works, for FY 1994-95.

**Amount:** \$71,596

**Source of Funds:** Sewer Service Revenue Fund

**Description:** Charter Section 7.203 requires that an expenditure of more than 10 percent above the bid amount of a contract be provided for by a supplemental appropriation. DPW advises that actual contract expenditures for the Bartlett Street Sewer Replacement Project are anticipated to total \$217,242 or \$71,596 (49 percent) more than the original contract limit amount of \$145,646 (\$132,405 for contract construction plus \$13,241 for contingencies).

The Bartlett Street Sewer Replacement Project, located at Bartlett Street from 24th Street to 25th Street and 26th Street to Army Street, consists of (1) traffic rerouting work, (2) trench support work, (3) construction of clay pipe sewers, removal of brick sewers and manholes and construction of concrete manholes, and (4) the televising of existing active side sewers and the repair or replacement of defective side sewers.

According to Mr. Law, Contract Manager at DPW, the contract expenditures for this project have increased by \$71,596 more than the original contract amount because the project scope was expanded to include sewer replacement work from 25th street to 26th street.

**Comment:** The DPW reports that the Bartlett Street Sewer Replacement Project was completed on June 16, 1994. However, the DPW advises that the contractor has not, as yet, been paid the \$71,596 pending the Board of Supervisors approval of the proposed supplemental appropriation. As such, retroactive approval of this supplemental appropriation request is not required.

**Recommendation:** Approve the proposed ordinance.





Item 7 - File 101-91-40.3

**Department:** Airports Commission

**Item:** Requesting release of reserved funds in the amount of \$1,528,189 for contractual services for infrastructure repair and maintenance work.

**Amount:** \$1,528,189

**Source of Funds:** 1990 Airport Revenue Bond Interest Earnings

**Description:** In February of 1992, the Board of Supervisors approved an ordinance appropriating \$17,501,272 in Airport Revenue Bond interest earnings for capital improvement projects. Of this amount, \$9,692,875 was placed on reserve for construction contracts, pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors. The Board subsequently released \$7,707,318 of these reserved funds for contractual services for infrastructure repair and maintenance work at the San Francisco International Airport, thereby leaving a balance of \$1,985,557 on reserve.

Through an invitation for bids, the Airports Commission selected contractors for two Airport capital improvement projects: (1) Parking Garage Improvements at Levels 1 and 3 and (2) North Field Section Improvements, Phase I. The Airports Commission is now requesting the release of \$1,528,189 in reserved funds for these two construction contracts.

**Project  
Budgets:**

**Parking Garage Improvements at  
Levels 1 and 3**

\$689,957

This project would provide for the renovation of parking stalls, striping, rechannalization, signing, deck degreasing and the preparation for and installation of a parking stall sealant that would facilitate the removal of vehicle fluid leakage and thus improve pedestrian safety.

**Prime Contractor:**

Inter-Coastal, a Joint Venture (Interstate, Inc. - 20.3% and Coastal Construction, MBE - 21.1%)

**Subcontractors:**

Amelohs, Inc., MBE (1.4%)

Vickers Concrete Service, MBE (14.2%)

City Lumber, WBE (3.1%)

Coastal Construction Project Management, Inc.  
(20.7%)  
Interstate Grading & Paving, Inc. (19.2%)

**Total MBE/WBE Participation - 39.8%**

**North Field Security Improvements, Phase I** \$557,544

This project provides for the construction of a new security checkpoint to comply with Federal Aviation Administration (FAA) regulations and to provide a security checkpoint in addition to the existing "Quebec" checkpoint for vehicles traveling to the Airport's Air Operations Area, thereby reducing traffic congestion on the North Access Road. The new security checkpoint would consist of a guard shelter, a vehicle barricade system and gate arms to prevent unauthorized vehicles from entering the airfield, and would provide space for unauthorized vehicles to turn around. The existing "Quebec" checkpoint consists of only a guard shelter and gate arms and does not provide sufficient space for unauthorized vehicles to turn around, thereby forcing such vehicles to enter the airfield in order to turn around back onto the public road. The Airport advises that it has been fined by the FAA on several occasions for allowing unauthorized vehicles on the airfield.

**Prime Contractor:**

Millard Tong Construction, MBE (71.6%)

**Subcontractors:**

Agbayani Construction, MBE (12.1%)

Cresci Electric, WBE (3.0%)

Lowrie Paving (2.9%)

A-1 Construction (10.4%)

**Total MBE/WBE Participation - 86.7%**

Subtotal - Construction Contracts \$1,247,501

**Architecture, Engineering & Inspection** 187,125

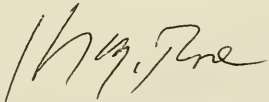
These services will be performed in-house by Airport employees and are budgeted at 15 percent of construction contract costs of \$1,247,501.

Contingency (7.5% of construction contract costs) 93,563

Total Project Cost \$1,528,189

Memo to Budget Committee  
October 19, 1994

**Recommendation:** Approve the requested release of reserved funds in the amount of \$1,528,189.



Harvey M. Rose

cc: Supervisor Hsieh  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Migden  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey



111 CALENDAR ... ACTION TAKEN  
111 BUDGET COMMITTEE  
111 BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, OCTOBER 26, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

DOCUMENTS DEPT.

ABSENT: SUPERVISOR ALIOTO FOR ITEMS 6, 7, 8, 13  
SUPERVISOR HSIEH FOR ITEM 11.

AUG 27 1996

CLERK: MARY L. RED

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1. File 101-94-18. [Appropriation, Sheriff Department] Ordinance appropriating \$586,900, Sheriff Department, from the General Fund Reserve for capital improvements to the new Sheriff's facility (City Attorney, Project Management and Construction Management Costs), for fiscal year 1994-1995. RO #94083 (Controller)

ACTION: Hearing held. Consideration continued to November 2, closed session.

2. File 101-94-19. [Appropriation, District Attorney] Ordinance appropriating and rescinding \$70,965, District Attorney, to transfer funds from salaries and equipment-lease purchase, to equipment, for the purchase of a dictaphone system, for fiscal year 1994-95; providing for ratification of action previously taken. RO #94053 (Supervisor Alioto)

ACTION: RECOMMENDED. Supervisor Alioto added as sponsor.

3. File 101-94-20. [Appropriation, DPH/Mental Health] Ordinance appropriating \$848,942, Department of Public Health, Mental Health and Substance Abuse Services, to medical services contracts for the continuation of substance abuse services, for fiscal year 1994-95. RO #94080 (Supervisor Alioto)

ACTION: Hearing held. RECOMMENDED. Supervisor Alioto added as sponsor.

4. File 101-94-21. [Appropriation DPH/Community Mental Health] Ordinance appropriating \$2,016,226, Department of Public Health, Community Mental Health Department, for salaries and mandatory fringe benefits for the creation of 40 positions to provide forensic services at the new Sheriff's facility for fiscal year 1994-95 (funded from the General Fund Reserve, \$994,704, and rescission of professional services, 1,071,522); companion measure to File 102-94-4. RO #94081 (Controller)

ACTION: Hearing held. RECOMMENDED.





5. File 102-94-4. [ASO, DPH/Div of Mental Hlth & Substance Abuse] Ordinance amending Annual Salary Ordinance, 1994-95, Department of Public Health, Division of Mental Health and Substance Abuse Services, reflecting the addition of 40 positions (Classifications 1428 A Unit Clerk (2) 1818 A MIS Specialist II (1), 1840 A Jr. Management Assistant (1), 1924 A Materials and Supplies Supervisor (1), 2119 A Health Care Analyst (1), 2210 C Dentist (1), 2232 A Sr. Physician Specialist (1), 2232 C Sr. Physician Specialist (1), 2312 A Licensed Vocational Nurse (24), 2409 A Pharmacy Technician (3), 2409 C Pharmacy Technician (1), 2450 A Pharmacist (1), 2450 C Pharmacist (1), and 2322 A Head Nurse (1); companion measure to File 101-94-21. (Department of Human Resources)

ACTION: Hearing held. RECOMMENDED.

6. File 101-94-22. [Appropriation, Fire Department] Ordinance appropriating \$3,408,841, Fire Department, from 1989 Earthquake Safety Improvement Bond proceeds for capital improvements to various fire stations, for fiscal year 1994-95. RO #94082 (Supervisor Alioto)

ACTION: Amended to place \$2,741,638 on reserve. New title: "Ordinance appropriating \$3,408,841, Fire Department, from 1989 Earthquake Safety Improvement Bond proceeds for capital improvements to various fire stations, for fiscal year 1994-95; placing \$2,741,638 on reserve." RECOMMENDED AS AMENDED. Supervisor Alioto added as sponsor. (Supervisor Alioto absent for vote)

7. File 101-90-84.11. [Release reserved funds, Fire Department] Hearing requesting release of reserved funds, Fire Department, in the amount of \$35,625, for trial fees incurred by City Attorney's Office and inadvertently charged to the Water Department. (Fire Department)

ACTION: Consideration continued to November 2, 1994. (Supervisor Alioto absent for vote)

8. File 172-94-2.3. [Peninsula Corridor Joint Powers Board] Resolution ratifying an amendment to the Joint Powers Agreement Peninsula Corridor Project modifying the formula under which the Joint Powers Board's administrative costs are allocated and establishing a formula for apportioning routine capital costs; rescinding previous Board Resolution No. 538-94 which gave notice to withdraw from the Joint Powers Board and urging the Mayor to submit a supplemental appropriation for \$129,300 to make the first of five payments to cover San Francisco's share of the start-up costs. (Supervisor Hsieh)

ACTION: Amended to provide that the Agreement is subject to the budget and fiscal provisions of the Charter. New title: "Resolution ratifying an amendment to the Joint Powers Agreement Peninsula Corridor Project modifying the formula under which the Joint Powers Board's administrative costs are allocated and establishing a formula for apportioning routine capital costs, subject to the City Charter's budgetary and fiscal provisions; rescinding previous Board Resolution No. 538-94 which gave notice to withdraw from the Joint Powers Board and urging the Mayor to submit a supplemental appropriation for \$129,300 to make the first of five payments to cover San Francisco's share of the start-up costs." RECOMMENDED AS AMENDED TO THE BOARD ON NOVEMBER 14, 1994. (Supervisor Alioto absent for vote)



9. File 285-94-2.1. [Franchise Fee, Pacific Gas and Electric] Resolution urging the Mayor to urge the Public Utilities Commission and the Chief Administrative Officer to explore a franchise fee rate increase to Pacific Gas and Electric. (Supervisors Alioto, Bierman)

ACTION: Amendment of the Whole (as presented by Supervisor Alioto) adopted. Same title. RECOMMENDED AS AMENDED.

10. File 54-94-12. [Zero Base Budget Analysis] Motion directing the Board of Supervisors' Budget Analyst to conduct a "zero base" budget analysis of various City departments designated by the Budget Committee and directing the Clerk of the Board to submit a supplemental appropriation to the Mayor for funds necessary to conduct the "zero base" budget analysis. (Supervisors Hsieh, Alioto, Bierman)

ACTION: RECOMMENDED. Supervisor Bierman added as cosponsor.

11. File 229-94-2. [Competitive Bidding for 800 MHz Project] Resolution finding by the Board of Supervisors of the City and County of San Francisco that the 800 MHz Management and Radio Systems Engineering with Optional 911 Project being negotiated between the Chief Administrative Officer (CAO) and Motorola, Inc., should be subject to competitive bidding; and urging the Mayor to urge the CAO to notify the Board of Supervisors in all cases where contracts for services exceed \$1,000,000; and urging the Mayor to urge the Purchaser to provide a list of all contracts in the last five years that were not subject to competitive bidding, whose value exceeded \$1,000,000. (Supervisors Alioto, Kennedy, Leal, Shelley, Maher, Migden)

ACTION: Hearing held. Recommended to Board "WITHOUT RECOMMENDATION". (Supervisor Hsieh absent)

12. File 165-93-10.1. [Review Management Audit, Homeless Programs] Hearing to consider the Budget Analyst's comprehensive management audit of programs affecting the homeless and ministered by the City and County of San Francisco. (Supervisor Alioto)

ACTION: Hearing held. Consideration continued to call of the chair.





13. File 68-94-13. [Federal Grant Funds] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, receive and expend a loan of Section 108 Loan Guarantee Funds in a total amount not to exceed six million dollars (\$6,000,000) and an associated grant of Economic Development Initiative Funds in a total amount not to exceed six hundred thousand dollars (\$600,000) both from the U.S. Department of Housing and Urban Development for a Small Business Revolving Loan Program authorized under Section 108 of the Housing and Community Development Act of 1974, as amended and secured with Community Development Block Grant Program Funds; indirect costs associated with the acceptance of the loan funds will be provided from the Community Development Block Grant Program. (Supervisors Hsieh, Alioto, Bierman)

ACTION: Amended to delete the authorization to expend funds. New title: "Resolution authorizing the Mayor of the City and County of San Francisco to apply for, and receive a loan of Section 108 Loan Guarantee Funds in a total amount not to exceed six million dollars (\$6,000,000) and an associated grant of Economic Development Initiative Funds in a total amount not to exceed six hundred thousand dollars (\$600,000) both from the U.S. Department of Housing and Urban Development for a Small Business Revolving Loan Program authorized under Section 108 of the Housing and Community Development Act of 1974, as amended and secured with Community Development Block Grant Program Funds; indirect costs associated with the acceptance of the loan funds will be provided from the Community Development Block Grant Program." RECOMMENDED AS AMENDED. Supervisors Alioto and Bierman added as cosponsors. (Supervisor Alioto absent for vote)



07  
26/94  
CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

October 24, 1994

**TO:** Budget Committee  
**FROM:** Budget Analyst  
**SUBJECT:** October 26, 1994 Budget Committee Meeting

DOCUMENTS DEPT.  
OCT 26 1994  
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Item 1 - File 101-94-18

**Department:** Sheriff's Department

**Item:** Supplemental appropriation ordinance appropriating \$586,900 from the General Fund Reserve for capital improvements to the Sheriff's New Jail Facility.

**Amount:** \$586,900

**Source of Funds:** General Fund Reserve

**Description:** Pursuant to a consent decree regarding the overcrowding of prisoners at Jail No. 1, a New Jail Facility is being constructed behind the Hall of Justice. The new jail will have a capacity of 440 inmates and will include new intake/booking/release, work furlough and medical/psychiatric facilities. The current budget for the New Jail Facility is \$55.1 million and is funded by a \$33.7 million grant from the State Board of Corrections, \$16.5 million in 1990 General Obligation Bond funds approved by the voters in 1990, \$1.4 million in bond interest income and a \$3.5 million supplemental appropriation of General Fund monies approved in December of 1993.

The construction of the new jail facility was originally scheduled to be completed by June of 1993 but experienced cost overruns and time delays. In November of 1993, the Sheriff's

Department requested a supplemental appropriation to address these cost overruns, which were associated with change orders and additional project costs resulting from an extended completion date. The supplemental budget request of \$3.5 million in General Fund monies was based on Department of Public Works (DPW) estimates of the additional required "hard" costs to complete construction, and additional required "soft" costs, such as project management and other professional services, through the then revised expected date of completion of July 31, 1994.

Since the approval of the previously-cited supplemental appropriation ordinance, the construction contractor, Green International, has again revised the expected completion date to November 18, 1994. In addition, DPW reports that, as a result of the change orders, the construction contractor has stated that it intends to file a claim against the City in the amount of approximately \$15 million.

According to Lieutenant Michael LaVigne, Capital Projects Manager for the Sheriff's Department, it appears that DPW's previous estimates of hard costs were accurate and would also have been accurate for soft costs if the contractor had completed the project by July 31, 1994. Lieutenant LaVigne reports that there are presently sufficient funds available to cover the hard costs until the current expected completion date of November 18, 1994. However, DPW advises that there is not sufficient funding to cover the soft costs for the period from July 31, 1994 through November 18, 1994.

DPW has informed Green International, the construction contractor, that the City intends to assess liquidated damages of \$10,000 per day for every day that the project completion is delayed. However, these funds would not be available until after the completion of the project and would depend on the resolution of the contractor's pending claim. According to Lieutenant LaVigne, although the Sheriff's Department anticipates that it will start accepting inmates at the New Jail Facility on December 1, 1994, additional costs are expected to be incurred through December 31, 1994 for administration, site clean-up and the City Attorney's costs to defend against the construction contractor's pending claim against the City.

DPW advises that the City needs to fund the soft costs until the project is completed and to defend itself against the contractor's pending claim. As such, the Sheriff's Department is requesting a supplemental appropriation of General Fund monies in the amount of \$586,900 for the costs of the City Attorney's Office, DPW Project Management and the

construction manager, VANIR Construction, for the period retroactive from July 31, 1994 through December 31, 1994. An explanation of these costs follows:

City Attorney's Office \$340,000  
This estimate includes allocations for legal experts' preliminary analyses, document review and organization and the City Attorney's time incurred in the preparation of the City's planned claim against the project architect and the City's defense against the anticipated claim from the construction contractor. The \$340,000 allocates \$119,000, or approximately 1,253 hours at an average hourly rate of approximately \$95, for services of the City Attorney's Office, and \$221,000 for outside consulting services. Mr. George Wong of the City Attorney's Office advises that the consultants have not yet been selected (See Comment No. 2). A breakdown of the \$340,000 cost is as follows:

City Attorney:

General Analysis and

Preliminary Litigation Cost	\$36,500
Copying of job documents	40,000
Review of job documents	17,000
Copying of contractor documents	12,750
Review of contractor documents	<u>12,750</u>
Subtotal - City Attorney	\$119,000

Consultants:

Scheduling Consultant	\$59,500
Fire/Life Safety Consultant	34,000
Security Systems Consultant	29,750
Labor Efficiency Consultant	38,250
Architectural Consultant	29,750
Accountant	<u>29,750</u>
Subtotal - Consultants	\$221,000

Total	<u>\$340,000</u>
-------	------------------

Department of Public Works \$57,500

This would provide funding for the salaries, fringe benefits and overhead of one full-time project manager (\$43,556, or \$4,007 per pay period x 10.87 pay periods), one quarter-time architect (\$9,876, or \$908.56 per pay period x 10.87 pay periods) and one part-time secretary (\$4,068, or \$374.24 per pay period x 10.87 pay periods) for the five-month period from July 31, 1994 through December 31, 1994. These three positions are currently working and the \$57,500 would reimburse the DPW for its costs from July 31, 1994 through approximately December 1, 1994.



Construction Manager - Vanir CM \$376,672  
The construction manager, Vanir CM, has proposed to provide construction management services until December 31, 1994 and claims defense assistance, at a total estimated cost of \$376,672. Attached is the consultant's breakdown of the estimated cost.

Total Estimated Cost	\$774,172
Less Available Funding from Previously Appropriated Grant and Bond Funds	(\$187,232)
Total Estimated Cost Less Available Funding	\$586,940
Total Supplemental Appropriation Request, rounded to present need (subject of this report)	\$586,900

The budgeted shortfall to complete the New Jail Facility, retroactive from July 31, 1994 through December 31, 1994, is as follows:

	Current Budget	Actual Expenditures 7/1/91 - 9/15/94	Projected Expenditures 9/16/94 - 12/31/94	Projected Shortfall
<u>Consultants:</u>				
Architectural and Engineering	\$4,200,752	\$4,200,652	\$100	\$0
Geological Technician Services	180,439	176,835	3,604	0
Traffic Consultant	52,190	52,190	0	0
Construction Management - Vanir Construction	2,733,514	2,849,930	260,256	(376,672)
<u>DPW:</u>				
Project Management	784,976	770,693	64,313	(50,030)
Bureau of Architecture Inspection	320,042	320,042	0	0
Bureau of Engineering Survey	31,200	21,250	9,950	0
Bureau of Building Repair	22,184	0	22,184	0
City Attorney	30,000	0	340,000	(310,000)
Water Department Work Order	24,000	24,000	0	0

Memo to Budget Committee  
October 26, 1994

	Current Budget	Actual Expenditures 7/1/91 - 9/15/94	Projected Expenditures 9/16/94 - 12/31/94	Projected Shortfall
Construction Contract	\$45,134,173	\$45,004,290	\$1,112,710	(\$982,827)
Contingencies (Change Orders)	982,827	0	0	982,827
Art Enrichment	223,394	164,863	58,531	0
Parking Lot Relocation	110,996	110,996	0	0
Other (Asbestos Abatement and Permits)	143,906	101,108	42,798	0
Project Reserve	<u>157,232</u>	<u>0</u>	<u>0</u>	<u>157,232</u>
Total	\$55,131,825	\$53,796,849	\$1,914,446	(\$579,470)

Supplemental Appropriation Request 586,900

Recommended Reduction \$7,430

**Comments:**

1. Based on the actual and projected expenditures through December 31, 1994 as reflected in the table above, the supplemental appropriation request should be reduced by \$7,430, from \$586,900 to \$579,470.

2. As previously noted, the City Attorney's Office has not yet selected the consultants for the preliminary review of the City's claim against the project architect and defense against the anticipated claim by the construction contractor. As such, \$221,000 should be placed on reserve, pending the selection of consultants and the submission of estimated hours and hourly rates.

3. Lieutenant LaVigne advises that expenditures have been incurred against the proposed supplemental appropriation since July 31, 1994. As such, the proposed ordinance should be amended to provide for ratification of action previously taken.

4. Mr. Wong of the City Attorney's Office advises that the \$340,000 budgeted for services of the City Attorney's Office, which would provide funding to prepare a claim against the project architect and to defend against the anticipated claim by the construction contractor, is a preliminary estimate. Mr. Wong further advises that, if the City receives the type and extent of claim that is expected, significantly more funding would be needed to continue and conclude litigation in this matter. Mr. Wong reports that the cost of such additional services cannot be estimated at this time.

5. Because of the lack of space in the City's existing jails, the City must pay Alameda County approximately \$500,000 per month to house inmates in Alameda County's jails. The Mayor's Office advises that, if this request is not approved, the

construction of the New Jail Facility could not be completed in time for the anticipated December 1, 1994 opening of the facility. As such, additional costs would be incurred to continue housing inmates in Alameda County's jails after December 1, 1994 until the completion of construction.

6. Item 3 (File 101-94-20) and Item 4 (File 101-94-21) of this report to the Budget Committee for its meeting of October 26, 1994, in addition to this supplemental appropriation request of \$586,900 in General Fund monies, contain a total of \$1,793,646 (\$848,942 - Item 3 and \$944,704 - Item 4) in General Fund Reserve monies. The balance in the General Fund Reserve as of October 5, 1994 was \$8,035,397. If this request, together with Items 3 and 4, are all approved, the General Fund Reserve would have a balance of \$5,654,851 (\$8,035,397 less \$586,900 less \$1,793,646).

**Recommendations:** 1. Amend the proposed supplemental appropriation ordinance by providing for ratification of action previously taken.

2. Amend the proposed ordinance by reducing the supplemental appropriation request by \$7,430, from \$586,900 to \$579,470.

3. Place \$221,000 on reserve, pending the selection of consultants by the City Attorney's Office, the MBE/WBE status of the consultants and the submission of estimated hours and hourly rates.

4. Approve the supplemental appropriation ordinance, as amended.

## CITY AND COUNTY OF SAN FRANCISCO

NEW SHERIFF'S FACILITY - 5206A

RESOURCE UTILIZATION PLA 22JUL94

VCM JOB # P-229

Attachment

POSITION	RATE						1995	TOTALS
		AUG	SEP	OCT	NOV	DEC	JAN	
P-I-C HOURS	\$142	8	8	8	8	8		\$5,680
PROJECT MANAGER HOURS	\$97	120	120	120	120	80		\$54,320
ON-SITE PRJ DIR HOURS	\$104	80	80	80	80	80		\$41,600
PRJ CONTROL/FE HOURS	\$85	168	168	168	168	168		\$71,400
PROJ EXPEDITOR HOURS	\$66	96	96	96	96	96		\$31,680
PUNCH LIST COOR HOURS	\$85	40	40	48	48	0		\$14,960
SCHEDULER HOURS	\$78	96	96	80	80	48		\$31,200
ESTIMATOR HOURS	\$92	54	54	54	54	54		\$24,840
PRJ SECRETARY HOURS	\$39	24	32	32	80	80		\$9,672
SUBTOTAL CONSTRUCTION PHASE SERVICES								
ESTIMATED HOURS (VCM)		550	558	542	590	518		
AMOUNT		\$58,504	\$58,816	\$58,248	\$60,120	\$49,664		SUBTOTAL \$285,352
REIMBURSABLE EXPENSES								
OFFICE EQUIPMENT		\$818	\$818	\$818	\$818	\$818		
DIRECT EXPENSES		\$2,833	\$2,833	\$5,388	\$3,833	\$3,833		
OVERHEAD @ 10%		\$365	\$365	\$621	\$465	\$465		
SUBTOTAL REIMBURSABLES		\$4,016	\$4,016	\$6,827	\$5,116	\$5,116		SUBTOTAL \$25,091
MBE/WBE SUBCONSULTANTS								
FIELD SEC'Y (LUSTER)	\$34							
HOURS		168	168	168	168	168		
AMOUNT		\$5,712	\$5,712	\$5,712	\$5,712	\$5,712		
TESTING/SPECIAL INSPECTION								
BUDGET AMOUNT		\$7,912	\$7,912	\$7,912	\$7,912	\$0		
OVERHEAD @ 10%		\$1,362	\$1,362	\$1,362	\$1,362	\$571		
SUBTOTAL MBE/WBE		\$14,986	\$14,986	\$14,986	\$14,986	\$6,283		SUBTOTAL \$66,229
TOTAL MONTHLY FEES		\$77,507	\$77,819	\$80,061	\$80,223	\$61,063		TOTAL \$376,672

VANIR CM





Memo to Budget Committee  
October 26, 1994 Budget Committee Meeting

Item 2 - File 101-94-19

**Department:** District Attorney (DA)

**Item:** Ordinance appropriating and rescinding \$70,965, District Attorney, to transfer funds from salaries and equipment-lease purchase to equipment for the purchase of a dictating/transcribing system, for fiscal year 1994-95.

**Source of Funds:** 1993-94 District Attorney Equipment Budget, \$21,965  
State Department of Motor Vehicles grant, \$49,000

**Description:** This ordinance is a request in the amount of \$70,965 to allow the District Attorney's Office to purchase a dictating/transcribing system with voice mail. The proposed source of funds is \$21,965 carried forward from the District Attorney's equipment purchase budget in 1993-94, and \$49,000 in grant funding from the State Department of Motor Vehicles via a work order from the Police Department. Funds for the lease-purchase of this system had been requested by the DA in FY 1993-94 but were denied by the Board of Supervisors. Therefore, this appropriation will require 8 votes by the Board of Supervisors as it was the subject of a previous budgetary denial.

Since the original request, the DA has negotiated with the manufacturer, Dictaphone, and has agreed to a smaller system. As a result, the price of this system has gone from \$108,805 originally to \$70,965, a reduction of \$37,840. In addition, the \$70,965 proposed will enable the DA to buy the system outright instead of through lease-purchase, therefore saving financing costs.

This equipment is used for dictating and transcribing reports at criminal justice offices nationwide. Using any telephone, employees dictate text which is saved to a central pooling device and later transcribed. At present, attorneys use a tape recorder, handwrite, or type their reports. According to the DA's Office, these methods are slow, cumbersome, and prone to error. The specific equipment that is proposed for purchase by the DA is identical to systems now in use at the Adult Probation Department, Public Defender's Office, and the Superior and Municipal Courts. Each of these offices credits the system with enabling them to take on a larger work load with the same staff, increasing the accuracy of reports, and decreasing the time necessary to complete reports. Reports are date and time stamped when they are filed, assigned randomly to available transcribers, and the time needed to file and transcribe reports is recorded by the

system. Attorneys can file their reports from the field at any time of the day or night, transcribers' time can be managed more efficiently, and reports which are needed for court deadlines can be tracked through the system effectively. The system will also provide the DA's Office with voice mail capability.

In 1992, the DA contracted with Dictaphone to install and use this dictating/transcribing system for a six-month trial period at no cost, and planned to request the system for lease-purchase in the FY 1993-94 budget. Although the system was delivered to the Office of the DA, the system has remained in unopened boxes since approximately January of 1993 because the funds were disapproved in the FY 1993-94 budget.

**Comments:**

1. The Budget Analyst recommended against the subject dictating/transcribing system in the FY 1993-94 budget process not only because the lease-purchase costs of \$35,199 and maintenance costs of \$14,258 totaling \$49,457 were incorrectly budgeted in category 190 *Other Non-Personal Services* and should have been budgeted in the equipment purchase or lease-purchase categories, but also because the District Attorney's Office did not identify, with reasonable certainty, any salary reductions that would result from implementation of the system.

2. According to Ms. Bridget Bane of the District Attorney's Office, one of the two telephone operators in the DA's Office was eliminated in the 1994-95 budget process, resulting in a savings of \$38,093, specifically to offset the cost of the new dictating/transcribing system. This telephone operator position was eliminated partially in anticipation of increased efficiency that would result from installation of the system, according to Ms. Bane. Ms. Bane states that the voice mail capacity of the dictating/transcribing system is now urgently needed to assist in meeting the current 400 calls per day demand in the DA's Office.

3. Further, according to Ms. Bane, although this system was not requested in the DA's FY 1994-95 budget, it was anticipated that the funding would be provided through this supplemental appropriation request when the \$49,000 grant funds became available from the State Department of Motor Vehicles.

4. According to Mr. Mike Martin of the Mayor's Office, the elimination of telephone operator position from the DA's Office in 1994-95 was consistent with the Mayor's recommendation to approve a supplemental appropriation

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for the purchase and installation of the dictating/transcribing system once sufficient funds were identified. Mr. Martin further notes that this supplemental appropriation has been approved by the Mayor both because of the increased efficiency and accuracy that will result, and because it is expected that the workload at the DA's Office will increase with (a) implementation of the State's "Three Strikes You're Out" legislation, and (b) the addition of more Police Officers on the streets in San Francisco.

5. As noted above, the elimination of a telephone operator position in the DA's 1994-95 budget results in an annual savings of \$38,093. Therefore, this savings will offset the \$70,965 cost of the dictating/transcribing system in approximately 1.9 years.

**Recommendation:** Approve the proposed ordinance.



Item 3 - File 101-94-20

**Department:** Department of Public Health (DPH), Mental Health and Substance Abuse Services

**Item:** Supplemental appropriation ordinance for Department of Public Health (DPH), Mental Health and Substance Abuse Services, for the continuation of substance abuse services for fiscal year 1994-1995.

**Amount:** \$848,942

**Source of Funds:** General Fund Reserve

**Description:** 1. The DPH, Division of Mental Health and Substance Abuse Services, has requested \$848,942 to continue substance abuse programs. These substance abuse programs had originally been funded by a Federal Forfeiture Fund Waiting List Reduction Program grant in the amount of \$3,322,167, which expired on June 30, 1994.

2. During the FY 1994-95 budget proceedings, in anticipation of the Federal grant monies expiring on June 30, 1994, \$830,541 was appropriated by the Board of Supervisors in the Community Substance Abuse Services budget to continue the substance abuse programs for a 3-month period from July 1, 1994 through September 30, 1994. In addition, the Budget Committee and the full Board of Supervisors provided \$1,000,000 as part of the General Fund Reserve to continue such programs from October 1, 1994 through December 30, 1994 (3 months), in the event that DPH could not identify other funding sources for these substance abuse programs.

3. DPH is now requesting that \$848,942 of the \$1,000,000, which was set aside in the General Fund Reserve, be appropriated to continue to fund 15 substance abuse treatment programs (14 programs for 3 months and 1 program for 9 months--see point 5 below).

4. Attachment I, based on information provided by DPH, shows a breakout of expenditures per treatment program for (1) FY 1993-94 (totaling \$3,322,167); (2) the 3-month period from July 1 to September 30, 1994 (totaling \$830,541); (3) the requested 3 1/2 month period from October 1, 1994 through January 15, 1995 (based on DPH's original supplemental appropriation request of \$1,000,000 submitted to the Mayor); and (4) the proposed 3-month period from October 1, 1994



through December 31, 1994 (based on this \$848,942 supplemental appropriation request as recommended by the Mayor).

5. The Mayor's Office reduced the amount of DPH's supplemental appropriation request by \$151,058, from \$1,000,000 to \$848,942, for a 3-month period instead of the 3 1/2 months requested by DPH. As a result, all programs will be receiving 3 months of funding, if the request is approved by the Board, with the exception of the Chemical Awareness and Treatment Services (CATS) program, which administers McMillan Center for homeless individuals with substance abuse problems. This request includes full-year funding of \$108,587 for the McMillan Center, which would enable the CATS program to continue to operate the McMillan Center for the 9-month period from October 1, 1994 through June 30, 1995. Ms. Eleanor Jacobs, the Mayor's Homeless Coordinator, advises that the Mayor's Office has identified the McMillan Center as a high priority in addressing the chemically-dependent homeless population in the City. Ms. Jacobs stated that the McMillan Center is the only drop-in center for homeless individuals suffering from substance abuse, and, as a result, the Mayor's Office has approved full funding for this program through June 30, 1995.

Attachment II provided by DPH describes each of the 15 treatment programs.

**Comments:**

1. Mr. Jim Curtiss, Associate Director of Community Substance Abuse Services of the Department of Public Health, has advised the Budget Analyst that DPH is currently seeking other funding for the 15 drug treatment programs for the period beginning January 1, 1995. He detailed the following sources of potential additional funding:

(A) \$500,000 in Target Cities funds from The Federal Department of Health and Human Services. Mr. Curtiss explained that this amount must be allocated by DPH on a competitive bidding process and that there is no guarantee that each of the 15 City-funded drug treatment programs will receive the Target Cities funding. Mr. Curtiss stated that the funding decisions will be made by January 15, 1995, at the latest.

(B) The Federal Department of Health and Human Services (HHS). Language was attached to the appropriations bill for HHS that advises administrators of HHS funds to assign priority to substance abuse programs which previously received Federal Forfeiture

Fund Waiting List Reduction Program funding. As a result, the City-funded programs will take priority in the grant-making process over programs that did not receive Forfeiture funding. These funds would be available by March 1, 1995.

(C) The Federal Crime Bill. Funds designated by the Crime Bill for substance abuse programs would also be funneled through HHS. Because the appropriation by Congress was for the Federal fiscal year 1996 (October 1, 1995 - September 30, 1996), the Crime Bill funds will not be available until October 1, 1995.

(D) Mr. Curtiss stated that there is a "slim possibility" that the City's drug treatment programs could receive funding from the State Department of Alcohol and Drugs, but that the requirements that must be met to receive funding from the State make it unlikely that the City's drug treatment programs will qualify for the funding.

2. Item 1 (File 101-94-18) and Item 4 (File 101-94-21) in this 10/26/94 report to the Budget Committee (in addition to this request of \$848,942 in new General Fund monies) contain a total of \$1,531,604 (\$586,900 - Item 1 and \$944,704 - Item 4) in new General Fund monies. The balance in the General Fund Reserve as of October 5, 1994 was \$8,035,397, including \$1 million for the possible replacement of the Federal Forfeiture Waiting List Reduction Grant. If this request, together with items 1 and 4, are all approved, the General Fund Reserve would have a balance of \$5,654,851 (\$8,035,397 less \$848,942 less \$1,531,604).

**Recommendation:** Based on the prior policy decisions of the Budget Committee and the full Board of Supervisors to set aside a portion of the General Fund Reserve to replace Federal grant monies currently not available for the continuation of the subject DPH substance abuse treatment programs, approve the proposed ordinance.

# ATTACHMENT I

## Request by Department of Public Health Division of Mental Health and Substance Abuse Services

PROGRAM	Forfeiture Grant 12 months 7/1/93 - 6/30/94	General Fund 3 months 7/1/94 - 9/30/94 (Budgeted for FY 1994-95)	General Fund Reserve 3 1/2 months 10/1/94 - 1/15/95 (DPH Request)	General Fund Reserve 3 months 10/1/94 - 12/31/94 (Per Mayor's Office)
18th Street	\$ 60,000	\$ 15,000	\$ 18,061	\$ 15,000
Walden House	1,381,784	345,446	415,928	345,446
Iris Center	18,692	4,673	5,626	4,673
BAART	367,196	91,799	110,529	91,799
Horizons	60,000	15,000	18,061	15,000
Baker Places	70,000	17,500	21,071	17,500
HAFMC OP DTX	249,230	62,308	75,020	62,308
UCSF Pace	118,828	29,707	35,768	29,707
BVHP OMM	204,370	51,092	61,517	51,092
Westside OMM	20,322	5,081	6,117	5,081
AARS	100,000	25,000	30,101	25,000
BVHP CFPD	49,000	12,250	14,749	12,250
BVHP Youth	82,000	20,500	24,683	20,500
CATS	360,745	90,186	108,587	108,587
HAFMC Facts	180,000	45,000	54,182	45,000
<b>TOTALS</b>	<b>\$ 3,322,167</b>	<b>\$ 830,541</b>	<b>\$ 1,000,000</b>	<b>\$ 848,942</b>

## ATTACHMENT II

### BUDGET JUSTIFICATION

This supplemental appropriation would restore some of the substance abuse services lost due to the elimination of the Federal Forfeiture Waiting List Reduction Grant. The Grant for FY 1993-94 of \$3,322,167, funded a variety of substance abuse treatment programs including Methadone Maintenance, outpatient, residential and homeless services.

The Mayor and the Board of Supervisors has placed \$830,541 in the FY 1994-95 Community Substance Abuse Services (CSAS) budget for three months continuation of these programs. In addition, the Board of Supervisors placed \$1,000,000 on reserve to be used for an additional three and one-half months of continued services in the event no other funding could be found. CSAS has diligently pursued all other revenue sources but has not been successful in obtaining alternative funding.

This request for a supplemental appropriation seeks to release these funds from reserve and use the funds to restore services for an additional three and one-half months to the following specific programs:

#### **18th Street Services \$18,061 - 3 1/2 months funding**

Restores 481 service units of outpatient treatment to 30 individuals.

This program provides outpatient substance abuse treatment (individual counseling and group therapy) for gay and bisexual men. Information, education and prevention comprise major elements of the program with special emphasis on the substance abuse aspects of the HIV/AIDS epidemic. 18th Street Services also provides housing for AA, NA, Codependency anonymous and Sex and Love Addicts Anonymous meeting. Outreach is conducted to the gay and bisexual community, including indigent population, for safe sex practices and prevention measures. At the core of their program is active support and 12 step programs. Their services are available to gay and bisexual men regardless of ability to pay.

**Asian American Recovery Program \$30,101 - 3 1/2 months funding**

Restores 460 bed days of residential treatment to 6 individuals.

AARS is a voluntary, long term, residential drug and alcohol treatment program. As a drug-free, long-term program, individuals (both male and female) are provided with a rigorous structure of work and clinical activities. The program consists of individual, group, and family counseling along with educational and vocational activities and development within a supporting multicultural environment. The program philosophy is based on a therapeutic community model utilizing behavioral and problem solving approaches. Its primary goal and objective is to provide support and opportunity for Asian/Pacific Islanders and others to learn to function successfully as responsible substance abuse free individuals.

**Bay Area Addiction, Research and Treatment (BAART) Geary/Townsend Clinics \$110,529 - 3 1/2 months funding**

Restores 7,471 service units of outpatient treatment including Methadone Maintenance to 108 individuals.

These programs have been developed from the expressed needs of the clients themselves. Historically, methadone programs were tailored to the needs of older male, chronic heroin users, and did little to provide for the increasingly female and younger population admitted to treatment in recent years. BAART programs emphasize individualized treatment, family treatment, women's needs including high risk obstetrical and pediatric care for the passively addicted neonate, vocational and academic training and education, and prevention of AIDS among the clients enrolled in our programs. Beyond the scope of methadone maintenance services, the BAART program has developed and implemented several innovative treatment components, including sedative-hypnotive detoxification, crack/cocaine/stimulant abuse treatment, aftercare services, primary medical care, family counseling, education and interventions to reduce risk behavior among intravenous drug users, and AIDS antibody screening. In addition to Methadone, comprehensive psychological services are offered to clients including crisis intervention, a variety of weekly groups, individual, family, and marriage counseling. A complete medical health assessment is done on every client entering the program, and referrals are made as needed. Goals of the program include: attracting heroin addicts into treatment. Prevention Strategy Code(s).



**Baker Places, Inc/Acceptance Place \$21,071 - 3 1/2 months funding**

Restores 144 bed days of residential treatment to 4 individuals.

Baker Places is committed to providing a comprehensive residential treatment program for people whose lives are disrupted or impaired because of their substance abuse and attendant problems, including AIDS related and psychiatric complications. A home-like facility is maintained to provide food, shelter, and rehabilitation services in a community-based, peer-group oriented, clean and sober living environment. The principles of social rehabilitation will be applied to support this purpose. Individual and group counseling, education and recreational services, and linkage with health, social, vocational, and other support services will be provided. Systematic supervision and evaluation of services will be used to assure the highest quality of professional care, and the program operations will be managed in a responsible, accountable manner.

**Bay View Hunters's Point/Center for Problem Drinkers \$14,749 - 3 1/2 months funding**

Restores 364 service units of outpatient treatment to 28 individuals.

This program provides counseling services to individuals who are poly drug users and are unable to cease using alcohol and cocaine without therapy. The program targets individuals who are residents of Bayview Hunter's Point, Visitation Valley, OMI, Potrero Hill and all areas of South of Market Street.

**Bayview Hunter's Point/Youth Counseling \$24,683 - 3 1/2 months funding**

Restores 358 service units of outpatient treatment to 24 individuals.

This program provides prevention services to youth population of Bayview Hunter's Point, OMI, Visitation Valley, Potrero Hill and Sunnydale in order to curtail or even eliminate substance abuse. Specific activities include recruitment of 66 youths and young adults from target population to participate in psychological counseling and nutritional assessment. Counseling services are conducted in 1-hour daily sessions, 5 days a week. Parents and guardians also receive 2-hour counseling sessions per month.

**Bayview Hunter's Point/Methadone Maintenance \$61,517 - 3 1/2 months funding**

Restores 1,654 service units of outpatient treatment including Methadone Maintenance to 30 individuals.

The Bayview Methadone Treatment program provides affordable treatment and prevention services for heroin and polydrug abusing people. The outpatient program involves stabilization with a daily methadone dosage. This allows clients the opportunity to reconstruct a drug free lifestyle. Preparation for the drug free lifestyle includes a gradual withdrawal from methadone to prevent side effects. Counseling and health care are an integral part of the services provided to clients. Counselors provide treatment direction and assist with referrals to employment, education, and other health services. The Bayview HIV risk reduction program is integrated into the methadone program. The goal is to reduce the risk of HIV transmission, the risk to sexual partners of injection drug users, and the risks of needle sharing practices. The on site health center offers primary care as well as HIV testing, case management and HIV specific health services target the African American and other minority populations for San Francisco's Bayview-Hunter's Point district.

**CATS-Chemical Awareness and Treatment Services \$108,587 - 3 1/2 months funding**

Restores 8,967 units of drop-in center services to 8,967 individuals.

The contractor received Ryan White funds which will be used to back-fill lost Forfeiture Grant funds. However, the agency lost other State Grant funding which supports the McMillian Center. This request would allow the McMillian Center to continue current level (24-Hour operation) of services through June 30, 1995.

This program targets Homeless men and women and provides a 24-hour drop-in facility with services that include: medical and psycho-social assessments; referrals to appropriate substance abuse and other health and social services (both emergency and non-emergency); stabilization opportunities and social/recreational activities. Voluntary facilitated support groups are available every day.

**Haight Ashbury Free Medical Clinics Outpatient Detox \$75,020 -  
3 1/2 months funding**

Restores 1,331 service units of outpatient treatment to 55 individuals.

The program has an established 24-year history of providing the City for substance abusers. This includes full medical and psychiatric outpatient services which provide medical symptomatic detoxification, plus dual diagnosis and HIV disease treatment. Their goals are to reduce or eliminate drug abuse by clients, to increase vocational skills and employment prospects, to expand the Project's treatment capabilities, to increase clients' awareness of HIV disease and their risk-reduction response, and to maintain program use by a clientele representative of the City's ethnically diverse drug using population. Our objectives are (1) to deliver at least 1,331 units of service to substance-abuser clients; (2) to provide employment counseling to at least 15% of employable, unemployed clients; (3) to provide 18 hours of staff training; (4) to carry out HIV risk assessment for at least 95% of new or readmitted clients; (5) to provide 467 hours of skills training relevant to HIV risk reduction; (6) to substantially eliminate illicit Prevention Strategy Code(s) drug use for at least 80% of clients who remain in treatment for more than one week.

**Haight Ashbury Free Medical Clinic- Glide Church Project  
\$54,182 - 3 1/2 months funding**

Restores 2,322 service units of outpatient treatment to 130 individuals.

This program's methodology and activities include daily support groups, drug intervention meetings, daily individual counseling, weekly classes in African history, job training, referrals for generation graduation and money management training. The goal is to establish culturally relevant and economically assessable drug treatment services that lead to self-esteem and sobriety for the African American. The services that are provided are daily groups, individual counseling, weekly classes in health, African history and substance education and sanctuary activities.

**Horizons Unlimited \$18,061 - 3 1/2 months funding**

Restores 632 service units of outpatient treatment to 10 individuals.

Horizons Unlimited through its Juventud substance abuse treatment program provides counseling services (individually and family). The goal

of the program is to reduce substance abuse in the individual with a goal of abstinence. The target population is Hispanic youth and young adults.

#### **IRIS Center \$5,626 - 3 1/2 months funding**

Restores 100 service units of outpatient treatment to 8 individuals.

The program provides women/lesbians in San Francisco who have substance abuse problems with counseling services that will reduce their incidence of drug abuse and enable them to lead healthy and productive lives. The program's activities increase in the social, psychological, and behavioral functioning of the IRIS Project clients.

The IRIS Center reaches a diversity of women from different backgrounds and lifestyles, particularly Women of Color and lesbian women. The program provides treatment to these women, especially to women of childbearing age at risk for pregnancy and to lesbians with chemical dependency problems through group counseling services. The program provides group counseling relating to drug and alcohol abuse and addiction, clean and sober lifestyles, self-esteem. The program's objective is that at least 70% of the clients who complete the IRIS Project Program will have stayed clean and sober for at least 30 days before completing the program.

#### **UCSF SFGH Substance Abuse Services PACE Program \$35,768 - 3 1/2 months funding**

Restores 962 service units of outpatient treatment including Methadone Maintenance to 20 individuals.

This treatment program specializes in treatment and prevention services for heroin addiction among the HIV infected population. This outpatient program involves stabilization with a daily methadone dosage. This allows

clients the opportunity to reconstruct a drug free lifestyle and to address their HIV related issues. Preparation for the drug free lifestyle includes a gradual withdrawal from methadone to prevent side effects. Counseling and health care are an integral part of the services provided to clients. Counselors provide treatment direction and assist with referrals to employment, education, and other health services. The HIV risk reduction program is integrated into the methadone program. The goal is to reduce

the risk of HIV transmission, the risk to sexual partners of injection drug users, and the risks of needle sharing practices.

**Walden House/Therapeutic Community \$415,928 - 3 1/2 months funding**

Restores 5,110 bed days of residential treatment to 50 individuals.

Walden House residential program provides services 24 hours a day, 7 days a week. The program also serves dually diagnosed clients, and clients with HIV disease. The program consists of orientation, therapeutic community involvement, and aftercare. The program serves young adults, adults and have an in-house school and on the job training programs.

**Westside-Methadone Treatment Program \$6,117 - 3 1/2 months funding**

Restores 684 service units of outpatient treatment including Methadone Maintenance to 12 individuals.

Westside Methadone Treatment program provides affordable treatment and prevention services for heroin and polydrug abusing people. The outpatient program involves stabilization with a daily methadone dosage. This allows clients the opportunity to reconstruct a drug free lifestyle. Preparation for the drug free lifestyle includes a gradual withdrawal from methadone to prevent side effects. Counseling and health care are an integral part of the services provided to clients. Counselors provide treatment direction and assist with referrals to employment, education, and other health services. The Westside HIV risk reduction program is integrated into the methadone program. The goal is to reduce the risk of HIV transmission, the risk to sexual partners of injection drug users, and

the risks of needle sharing practices. The on site health center offers primary care as well as HIV testing, case management and HIV specific health services target the African American and other minority populations for San Francisco's Western Addition.





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Items 4 and 5 - Files 101-94-21 and 102-94-4

**Department:** Department of Public Health (DPH)  
Division of Mental Health and Substance Abuse and Forensics

**Items** 1. Item 4, File 101-94-21 - Supplemental Appropriation Ordinance appropriating \$2,016,226 for Salaries and Mandatory Fringe Benefits of the creation of 40 positions to provide 24-hour medical services at the new Sheriff's facility for the DPH, Division of Mental Health and Substance Abuse and Forensics.

2. Item 5, File 102-94-4 - Ordinance amending the Annual Salary Ordinance to reflect the addition of 40 positions in the DPH, Division of Mental Health and Substance Abuse and Forensics.

**Amount:** \$2,016,226

**Source of Funds:** General Fund Reserve \$944,704

General Fund (reappropriation of funds from the DPH's Professional and Special Services account to its Salaries and Fringe Benefits accounts)

1,071,522  
Total \$2,016,226

**Description:** A total of \$2,200,000 was appropriated in the DPH's FY 1994-95 budget to pay for 24-hour medical services at the New Sheriff's Jail Facility located at 7th and Bryant Streets. According to the Division of Mental Health, Substance Abuse and Forensics, at the time the \$2,200,000 was budgeted for this purpose, the actual cost to provide these medical services for the current fiscal year was not known because (1) the staffing plan had not been reviewed with respect to the Federal Consent Decree (Stone vs. the City and County of San Francisco) mandate for health care services for the San Francisco County Jail system and (2) the date the new jail would be opened was unknown.

The proposed supplemental appropriation would appropriate \$2,016,266 for the period November 7, 1994 through June 30, 1995, as follows:

Permanent Salaries	\$1,045,791
Permanent Salaries - Nurses	520,789
Overtime	118
Holiday Pay	33,896
Premium Pay	85,288

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Mandatory Fringe Benefits	<u>330,344</u>
Total	\$2,016,226

The DPH's original supplemental appropriation request for \$1,687,525 from the General Fund Reserve, which was submitted to the Mayor, was based on (1) all 40 positions for the Forensic Division at the New Sheriff's Jail Facility being hired at step three on November 1, 1994 and a request for \$500,000 to off-set DPH's salary savings in DPH's existing Forensic Services Division. Based on its current rate of expenditures, the DPH is projecting an overall deficit of a total of approximately \$770,000 in its Permanent Salaries, Temporary Salaries, Fringe Benefits and other miscellaneous personnel accounts in the Forensics Division. The Mayor's Office reduced the amount of the DPH's request by \$742,821 from \$1,687,525 to \$944,704 based on (1) 27 of the 40 positions being hired at step one, 9 positions being hired at step three and 4 positions being hired at step five (in accordance with DPH's actual hiring practices) (2) all 40 positions being hired on November 7, 1994 instead of November 1, 1994 and (3) allowing \$150,000 to off-set the above-noted salary savings instead of the \$500,000 requested by the DPH.

As noted above, the proposed supplemental appropriation also provides for a reappropriation of \$1,071,522 from the DPH's Professional and Special Services account to its Salaries and Fringe Benefits accounts. The \$1,071,522 represents a portion of the \$2,200,000, which was included in DPH's FY 1994-95 for the Forensic Division at the new jail facility. The \$1,071,522 was initially budgeted in the Professional and Special Services account because, as previously noted, the staffing plan had not been finalized.

If the proposed supplemental appropriation ordinance is approved, the total FY 1994-95 budget for the Forensic Division at the new jail facility would be \$3,144,704 (\$2,200,000 as previously budgeted including the requested \$1,071,522 of monies to be, plus \$944,704 in new General Fund monies).

The Attachment to this report, provided by the DPH, contains position justifications and a description of the duties and responsibilities of the requested 40 positions.

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The proposed ordinance (File 102-94-4) would amend the FY 1994-95 Annual Salary Ordinance to establish 40 positions for the Forensic Division in the Sheriff's new jail facility as follows:

<u>Classification/Title</u>	<u>No. of Positions</u>	<u>Bimonthly Salary</u>	<u>Maximum Salary At Top Step</u>	<u>Total Salaries at Top Step</u>
1428A Unit Clerk	2	\$1,141/\$1,384	\$36,122	\$72,244
1818A Management Information System	1	\$1,565/\$1,899	\$49,564	49,564
1840A Jr. Management Assistant	1	\$1,255/\$1,520	\$39,672	39,672
1924A Materials and Supplies Supervisor	1	\$1,032/\$1,249	\$32,599	32,599
2119A Health Care Analyst	1	\$1,626/\$1,975	\$51,548	51,548
2210C Dentist	1	\$2,793/\$3,396	\$88,636	88,636
2232A Senior Physical Specialist	1	\$3,313/\$4,028	\$105,131	105,131
2232C Senior Physical Specialist	1	\$3,313/\$4,028	\$105,131	105,131
2312A Licensed Vocational Nurse	24	\$1,304/\$1,580	\$41,238	989,712
2409A Pharmacy Technician	3	\$1,457/\$1,765	\$46,067	\$138,201
2409C Pharmacy Technician	1	\$1,457/\$1,765	\$46,067	46,067
2450A Pharmacist	1	\$1,946/\$2,365	\$61,727	61,727
2450C Pharmacist	1	\$1,946/\$2,365	\$61,727	61,727
2322A Head Nurse	<u>1</u>	<u>\$2,354/\$3,036</u>	<u>\$79,240</u>	<u>79,240</u>
Total	40			\$1,921,199

**Comments:**

1. The Budget Analyst believes that given Civil Service procedures and other logistics involved in hiring staff to fill 40 positions, it is unlikely that the 40 positions will be hired and working by the November 7, 1994. As such, the Budget Analyst requested that Ms. Kate Monico-Klein of the DPH submit in writing a statement that all 40 of the requested positions would be hired and working at the new Forensic Division, effective November 7, 1994. As of the writing of this report, the DPH was unable to provide the Budget Analyst with such a written statement.

2. Item 1 (File 101-94-18) and Item 3 (File 101-94-20) in this 10/26/94 report to the Budget Committee, in addition to this supplemental request of \$944,704 in new General Fund monies, contain a total of \$1,435,842 (\$586,900 - Item 1 and \$848,942 - Item 3) in new General Fund monies. The balance in the General Fund Reserve as of October 5, 1994 was \$8,035,397. If this request, together with Items 1 and 3 are all approved, the General Fund Reserve would have a balance of \$5,654,851 (\$8,035,397 less \$944,704 less \$1,435,842).

**Recommendation:** Continue the proposed ordinances for one week pending the submission by DPH of a schedule of the hire dates for the 40 requested new employees in order to determine the precise amount of funding needed by DPH.



## Position Justifications

### 2 - 1428 Unit Clerk

Two positions will serve as ward clerks for the new medical wards and clinics at the New Facility. Their functions include receptionist duties, scheduling appointments, assisting health care providers with medical procedures, and preparing all needed clerical work, allowing clinical personnel to provide hands-on clinical services.

### 1 - 1818 MIS Specialist

This position will oversee the implementation of the management information system for the new facility. The position will maintain the hardware and software systems, and will provide needed training and user support.

### 1 - 1840 Jr. Management Assistant

This position will be assigned at the new Jail. Functions will include patient scheduling, ordering and inventory of supplies, staff scheduling, personnel tracking, payroll, and research on medical files and requests. This will free up the Head Nurse will free up to supervise clinical duties and assume an active role in the development of site-based health services as dictated by the increased acuity and needs of the patient population.

### 1 - 1924 Materials and Supplies Supervisor

The new facility will contain a centralized storage area. The position will coordinate all supply ordering, buying, receiving and storage for the entire jail medical system. In addition, the position will be in charge of centralized tracking and ordering of all forms. Under the current system, all head nurses in each of the jails do separate ordering, purchasing and forms control. The centralization of this function will reduce the overlap and duplication of purchasing and ordering of supplies.

### 1 - 2119 Health Care Analyst

This position is responsible for developing, coordinating, implementing and evaluating quality improvement and risk management programs and as such, represents an up-grade of a 9920 position consistent with Civil Services classification review and the expanded responsibilities arising from providing an additional level of care within the system at the New Sheriff's Facility.

### 1-2210 Dentist

A total of 16 additional hours of a dentist position is requested in order to accommodate the increase in inmates receiving dental care. The new dental clinic will serve as the only dental area for the Hall of Justice Complex.

## 2 - 2232 Physician Specialists

1.70 physicians will be assigned to the new treatment areas. These additional physicians are required to provide seven-day a week clinical treatment to new inmates, and to treat patients in the new infirmary and observation areas.

## 2- 2450 Pharmacists

A total of 1.85 FTE pharmacists is needed to implement the consent-decree and Title 15 mandated pharmacy-based medication delivery system for the jails consistent with the modified staffing mix proposed for Forensic Services in the 1994-95 budget. They are also responsible for the safe and appropriate use of pharmaceuticals in the treatment of patient conditions as well as ordering and maintaining adequate inventory of pharmaceuticals in the jail. The new pharmacy will serve as the central point for all pharmaceutical services at the Hall of Justice complex.

## 4 - 2409 Pharmacy Technician

A total of 3.3 FTE additional positions is needed to support implementation of the mandated medication distribution system consistent with the modified staffing mix proposed for Forensic Services in the 1994-95 budget. Under the supervision of the Pharmacist, Pharmacy Technicians package, deliver and inventory patient prescriptions according to current and projected numbers of medications distributed to patients.

## 1 - 2322 Head Nurse

This position has 24-hour responsibility for nursing supervision; performs all personnel functions (direct supervision, performance appraisal, staffing, payroll, disciplinary actions, etc.); and has responsibility for implementation of nursing programs, supervision of quality response to grievances, problem-solving and liaison with facility commanders.

## 24 - 2312 Licensed Vocational Nurses

The addition of these positions reflects the introduction of a new staffing mix in the jails, which will impact the entire health delivery system. The introduction of the lower level nursing positions reflect the actual duties of some of the health functions in the jails, and results in reduced personnel costs. Under the current system, the department uses only Registered Nurses to maintain the basic health services in the jails. The new positions will be assigned throughout the jail facilities. Some existing registered nurses will be re-assigned from existing facilities to the new facility. Once fully implemented, all jail sites will contain a mix of health professionals, including registered nurses, LVN's and jail medical technicians. This change in staffing mix has been negotiated in the recently approved nurses MOU. No registered nurses lay-offs will occur from this staffing change.

Item 6 - File 101-94-22

**Department:** Fire Department  
Department of Public Works (DPW)

**Item:** Supplemental appropriation ordinance appropriating \$3,408,841 from 1989 Earthquake Safety Improvement Bond proceeds for capital improvements to various fire stations.

**Amount:** \$3,408,841

**Source of Funds:** 1989 Earthquake Safety Improvement Bonds, Phase I

**Description:** In November of 1989, San Francisco voters authorized the sale of \$59.7 million in bonds to fund capital improvement projects to repair earthquake damage, provide seismic upgrading and improve the infrastructure for various City-owned properties.

The proposed supplemental appropriation ordinance would appropriate proceeds from the fifth bond sale for Phase I of the 1989 Earthquake Safety Bond Program. The proposed \$3,408,841 bond fund appropriation would provide funding to complete design and construction services and construction for Fire Station No. 1, located at 416 Jessie Street, and Fire Station No. 7, located at 2300 Folsom Street, as follows:

**Fire Station No. 1, located at 416 Jessie Street**

Department of Public Works (DPW):

Design Services	\$519,273
Construction Services	<u>147,930</u>
Subtotal - DPW	\$667,203

<u>Construction Contract</u>	<u>2,068,638</u>
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Total - Fire Station No. 1	\$2,735,841
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**Fire Station No. 7, located at 2300 Folsom Street**

Construction Contract	<u>673,000</u>
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Total Supplemental Appropriation Request	\$3,408,841
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**Comments:** 1. Attached is a schedule provided by the Department of Public Works (DPW) detailing the Design Services costs and the Construction Services costs, which are to be performed in-house by DPW employees.

2. Because the construction contracts have not yet been awarded, a total of \$2,741,638 (\$2,068,638 for Fire Station No. 1 and \$673,000 for Fire Station No. 7) should be reserved, pending the selection of the construction contractors, the submission of budget details and the MBE/WBE status of the contractors.

**Recommendation:** 1. Amend the proposed supplemental appropriation ordinance to reserve \$2,741,638, pending the selection of the contractors, the submission of budget details and the MBE/WBE status of the contractors.

2. Approve the proposed ordinance, as amended.

**SFFD STN 1****Costs break down**

Description	\$ Amount
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**A. Design and other misc. costs**

project management	42,266
Programming/planning	52,832
Architectural design	137,366
Engineering design	169,064
Construction administration	95,098
Permit	15,500
Testing	31,700
Art enrichment	42,266
Asbestos abatement/ tank removal	211,329
Project contingency	71,852
Subtotal	869,273
LESS previous appropriation in 4th Bbond sale	350,000
Amount for this bond sale	519,273

**B Construction services**

Construction management	59,172
Inspection	88,758
Subtotal	147,930





Item 7 - File 101-90-84.11

**Departments:** Fire Department  
Water Department  
City Attorney

**Item:** Release of reserved funds, in the amount of \$35,625 for trial fees incurred by the City Attorney's Office for work performed for the Fire Department.

**Amount:** \$35,625

**Source of Funds:** 1986 Fire Protection System Improvement Bonds

**Description:** In November of 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement Bonds to finance improvements to the City's Auxiliary Water Supply System (AWSS). The City sold \$31 million of these bonds in 1987 and the \$15.2 million balance (\$46.2 less \$31 million) in 1991. In April 1991, the Board of Supervisors appropriated the \$15.2 million proceeds from the second sale of bonds, but reserved \$13,506,943 that was budgeted for a variety of construction projects, pending specific information concerning the amount of the construction contracts, selection of the contractors and the MBE/WBE status of the contractors.

The Department of Public Works (DPW) entered into a contract with Interlane General Engineering, Inc./P & J Utilities, a joint venture for the installation of AWSS hydrants and valves on Seventh Avenue, Laguna Honda Blvd. and Claremont Blvd., from Irving Street to Ulloa Street. The DPW advises that following the completion of the project, Interlane General Engineering, Inc./P & J Utilities sued the City for increased costs in labor and equipment, relating to delays in the start-up and completion of the project. The City Attorney's Office defended this lawsuit.

Mr. David Norman, Deputy City Attorney, advises that the above-noted lawsuit was recently tried in Superior Court and the Court found in favor of the City. Mr. Norman states that the City Attorney's Office to date, has incurred \$36,550.32 in litigation expenses (see Attachment prepared by the City Attorney's Office) in connection with this lawsuit and not \$35,625 as is being requested at this time. Further, according to Mr. Norman, the City Attorney's Office erroneously billed the Water Department for the costs of this litigation instead of billing the Fire Department. Mr. Norman advised that the

Water Department then paid the City Attorney's Office \$21,361.36 of the \$36,550.32 bill.

The Fire Department is proposing to use the reserved funds (a) to reimburse the Water Department for the \$21,361.36, which the Water Department paid to the City Attorney on the basis of the erroneous billing and (b) to pay the City Attorney's Office the \$15,188.96 balance (\$36,550.32 less \$21,361.36).

**Comments:**

1. The litigation expenses shown in the Attachment are the City Attorney's billed costs through 6/30/94. However, Mr. Norman advised the Budget Analyst that additional costs have been incurred by the City Attorney's Office since 6/30/94.

2. The Fire Department has requested that this item be continued to the Budget Committee meeting of November 2, 1994 in order for the City Attorney's Office to compile the total actual costs of the litigation. As noted above, the costs that have been incurred to date total \$36,550.32.

3. Mr. Norman advises that the subject litigation expenses are related to the above-noted AWSS project and, as such, can legally be paid for by bond funds.

**Recommendation:** Continue this item as requested by the Fire Department.

**City and County of San Francisco:****Office of City Attorney**Attachment

Louise H. Renne,  
City Attorney

P&J/Interlane v CCSF (944-654):

Costs billed to PUCSFWD through 06/30/94:

Attorney time	304.6 hours	\$ 21,254.01
Out of pocket costs		\$ <u>107.35</u>
Owed to PUCSFWD		\$ 21,361.36

Costs incurred Fiscal Year 1994-1995 to date:

Attorney time	95.2 hours	\$ 6,466.46
Out of pocket costs owed		\$ <u>8,722.50</u>
Costs to date		\$ 15,188.96

Total:		\$ <u><u>36,550.32</u></u>
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Item 8 - File 172-94-2.3

**Item:** Resolution ratifying an amendment to the Joint Powers Agreement Peninsula Corridor Project modifying the formula under which the Joint Powers Board's administrative costs are allocated and establishing a formula for apportioning routine capital costs; rescinding previous Board Resolution No. 538-94 which gave notice to withdraw from the Joint Powers Board and urging the Mayor to submit a supplemental appropriation for \$129,300 to make the first of five payments to cover San Francisco's share of the start-up costs.

**Description:** On August 20, 1991 the City entered into a Joint Powers Agreement (JPA) with the San Mateo County Transit District (SamTrans) and the Santa Clara County Transit District regarding the Peninsula Corridor Project. The Peninsula Corridor Project involves the CalTrain route that currently extends from Gilroy to San Francisco. At that time, a Joint Powers Board (JPB) was established as the eventual successor to the California Department of Transportation (Caltrans) to oversee the CalTrain operator, which is currently Amtrak.

The JPB consists of nine members, three of which represent the City and County of San Francisco. One member is an appointment of the Mayor, one is an appointment of the Board of Supervisors and one is an appointment of the Public Transportation Commission (PTC). The JPB provides for the allocation among the JPB members of the administrative, capital and operating expenses in connection with the Peninsula Corridor Project.

Approximately 40 percent of CalTrain's operating costs are recovered through fares resulting in a 60 percent annual operating deficit. The annual Federal subsidy is subtracted from the 60 percent deficit. The balance, after subtracting the Federal subsidy is, under the current provisions of the JPA, borne by the counties of San Francisco, San Mateo and Santa Clara based on their respective riderships. San Francisco's current share is 11.6 percent, San Mateo's is 51 percent and Santa Clara's share is 37.4 percent.

The proposed resolution would ratify an amendment to the JPA to stipulate that the formula for allocation of the JPB's administrative costs will be based on ridership instead of an equal split between the three counties.

The administrative costs of the JPB, under the current provisions of the JPA, have been split equally between the

three counties. For FY 1994-95, the estimated administrative costs of the JPB, including expenses for contract management, legal expenses and marketing totaled approximately \$5 million. For 1994-95, the Chair of the Budget Committee of the Board of Supervisors, who is also the Chair of the JPB, was able to negotiate, with San Mateo and Santa Clara Counties, an agreement which provides that payment of the administrative expenses of the JPB be based on the number of riders instead of an equal split between the three counties. Therefore, San Francisco's share of the administrative costs for FY 1994-95, are estimated at \$580,000 or 11.6 percent of the total estimated administrative costs of \$5,000,000. Under an equal split of the costs, San Francisco's share would have been approximately \$1,666,667 or approximately \$1,086,667 more than the negotiated amount of \$580,000.

Additionally, the JPA would be amended to provide that costs for capital replacement and enhancement projects, that are not covered by outside funding sources (i. e., Federal and State grants), shall be shared equally by the three counties under the JPA. Such monies would be placed in a capital contingency fund. Ms. Kathleen Kelly of the PTC advises that such capital costs for FY 1994-95 will total an estimated \$700,000. Based on the proposed amendment which would stipulate that these capital costs be shared equally by the Counties of San Francisco, San Mateo and Santa Clara, San Francisco's share of costs would be approximately \$233,333.

The JPB began operations in July of 1992. A total of \$5,465,539 was required for all start-up costs prior to 1992. Of this amount, \$2,787,425 (51 percent) was paid by San Mateo and \$2,120,629 (38.8 percent) was paid by Santa Clara County. San Francisco has not, as yet, paid for any of its share of these start-up costs. Such costs were apportioned on the basis of ridership. San Francisco owes \$557,485 (10.2 percent) of the \$5,465,539 in original start-up costs. Start up costs include environmental studies and operating costs for Amtrak. The three counties have agreed that San Francisco's payment of \$557,485 plus seven percent interest could be made in incremental payments of \$129,300 over the next five years, with the first payment due on January 1, 1995. The proposed resolution would urge the Mayor to submit a supplemental appropriation for \$129,300 to be used to pay for the first payment owed by the City. According to Ms. Kelly, the source of funds for the \$129,300 would be the General Fund Reserve.

On June 29, 1994, the Board of Supervisors approved legislation (Resolution No. 538-94) giving notice of the City's intent to terminate its membership on the JPB unless a

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satisfactory agreement could be arrived at by the parties to the JPA with respect to the allocation of the JPB's administrative costs and the apportioning of capital costs not covered by outside grant funding sources. The proposed resolution would rescind Resolution No. 538-94).

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 9 File 285-94-2.1

**Item:** Resolution urging the Mayor to urge the Public Utilities Commission and the Office of the Chief Administrative Officer to explore a franchise fee rate increase to Pacific Gas and Electric Company from one-half of one percent to one percent on the gross receipts for the sale of electricity, and from one percent to one and one-half percent on the gross receipts for the sale of natural gas.

**Description:** In 1939, under Ordinance No. 414, the City granted the Pacific Gas and Electric Company (PG&E), its Successors and Assigns a franchise agreement (rights) to deliver, transmit, distribute and supply the City and County of San Francisco, and its inhabitants with electricity. The franchise agreement grants PG&E rights to use the City streets with respect to (1) accessing all existing appurtenances (poles, wires, conduits, transmission lines, etc.) necessary to provide electricity and (2) constructing all such appurtenances necessary to provide electricity to the City. Ordinance No. 413 was also adopted which granted PG&E a similar franchise agreement with regard to providing natural gas to the City.

At the time the ordinances granting franchise agreements to PG&E were adopted, the State of California had previously granted rights to "persons and corporations" to supply electricity and natural gas to inhabitants of the State for specific purposes. As such, the franchise agreements authorized under Ordinance No. 413 and Ordinance No. 414 specifically excluded from this grant of franchise rights any electricity or any natural gas, delivered to the City and its inhabitants by PG&E, which was regulated under, and supplied for purposes specified in Section 19 of Article XI of the Constitution of the State of California. However, Section 19 of Article XI was repealed October 10, 1911. Article XI, Section 9 now governs the establishment and operation of utilities by local governments, and/or persons or corporations. Article XI, Section 9 (b) states "*Persons or corporations may establish and operate works for supplying those services upon conditions and under regulations that the city may prescribe under its organic law.*" The "services" implied in Section 9 (b) of Article XI are utilities that would include natural gas and electricity supplied by PG&E.

In exchange for the franchise agreements granted by the previously-cited ordinances, PG&E agreed to pay the City a one-time sum of \$200,000 for each franchise agreement. PG&E also agreed to pay a percentage of its gross receipts for



the sale of electricity and natural gas, including electricity and natural gas supplied pursuant to the State constitutional franchise in the City's service area, on an annual basis. Each year, a total of one percent of the gross receipts from the sale of natural gas and one-half of one percent of the gross receipts from the sale of electricity are to be remitted to the City by PG&E. PG&E remits franchise fees to the City based on total sales of natural gas and electricity within the City less sales to Treasure Island, the Presidio, any interdepartmental sales (such as the cost of supplying electricity to buildings and other properties owned by PG&E) and any uncollectible billing charges.

To certify data used to calculate the gross receipts of PG&E for the sale of natural gas and electricity to the City, and the amount of the franchise fees to be remitted to the City, Section 11.7 of the San Francisco Administrative Code (Administrative Code) authorizes the Controller to examine the provisions of the franchise agreement and to conduct a financial audit on an annual basis. Section 11.7 of the Administrative Code also requires the Controller to file an annual report with the Board of Supervisors showing in detail how PG&E is complying, or failing to comply with the terms and conditions of the franchise agreement.

The Controller's Office indicates that it is currently conducting an audit of the franchise fees remitted to the City by PG&E for 1991, 1992, and 1993. According to a representative of PG&E's accounting staff, a total amount of \$3,909,424.56 in franchise fees for electricity and natural gas was remitted to the City for calendar year 1993. The \$3,909,424.56 remitted to the City in franchise fees is itemized as follows:

Electricity	\$2,453,263.36
Natural Gas	1,456,161.20
Total	\$3,909,424.56

PG&E also remitted franchise fees to the City for the sale of steam. The total amount of \$3,943,989.09 in franchise fees paid to the City for 1993 includes the payment of \$34,564.53 for steam. During 1993, PG&E sold its steam facilities to San Francisco Thermal, a Limited Partnership. The \$34,564.53 remitted to the City by PG&E for calendar year 1993 represents the two percent franchise fee on gross receipts of PG&E (\$1,728,226.50) arising from the use, operation or possession of the franchise rights for steam, as well as the sale of steam to City customers, prior to transferring ownership of the steam facility. Beginning in calendar year 1994, the City will receive steam franchise fees from San Francisco Thermal

in the amount of two percent of the gross annual receipts arising from the use, operation, or possession of the franchise rights for steam and/or condensate furnished by San Francisco Thermal within the limits of the City under the franchise granted by Ordinance No. 418-75, instead of PG&E.

Gross receipts, as reported by PG&E in 1993, for the sale of electricity (\$490,652,672), natural gas (\$145,616,120), and steam (\$1,728,226.50) are based on existing utility rates charged for specific classifications of customers. As noted above, the Controller's Office is in the process of auditing such franchise receipts. According to Ms. Liz Bacon of PG&E, during 1993, the average residential customer paid \$0.1225 per kilowatt hour (kwh) for electricity (an average of \$42.48 per month) and \$5.59 per million cubic feet (mcf) for natural gas (an average of \$31.07 per month). Residential customers would include any single and multi-family dwellings in the City. PG&E also reports that during the same time period, 1993, the average commercial customer paid \$0.1110 per kwh for electricity (an average of \$220.72 per month for small commercial customers and \$3,234.00 for medium-sized commercial customers) and \$5.70 per mcf for natural gas (an average of \$212.00 per month for small commercial customers and \$10,000.00 per month for medium-sized commercial customers). Commercial customers would include any business such as hotels, department stores, and restaurants but would not include any business that would be classified as industrial or manufacturing.

**Comments:**

1. According to the Ordinances cited above, all rights granted under the local franchise agreements (Ordinance Nos. 413 & 414) are in full force until the rights granted by the franchise agreements are voluntarily surrendered or abandoned by PG&E or until the City acquires all of the property used in the exercise of the franchises. The property can be acquired by the City through purchase or through condemnation by invoking the powers of eminent domain. PG&E could also forfeit its franchise rights through failure to comply with the terms and conditions of the franchise agreement.

2. There has not been any change in the rates of the franchise fees paid by PG&E since the approval of the ordinance in 1939 (55 years). Such rates are one half of one percent of the gross receipts for electricity and one percent of the gross receipts for natural gas. According to Mr. John Roddy of the City Attorney's Office, PG&E may assert that its franchise rights are perpetual, as it has argued with other counties (for instance, Kern Co. v. PG&E (1980) 108 Cal. App. 3d 418), and that therefore, the City could not increase its Franchise Fee

rates to PG&E. Mr. Roddy also advises the Budget Analyst that the City Attorney's Office indicates that PG&E's position may be flawed and that the City Attorney's Office is actively assessing the City's options.

3. Franchise fees currently paid by PG&E (percentages of gross receipts on the sale of electricity and natural gas) to neighboring jurisdictions (Santa Clara County, Alameda County, Contra Costa County, the City of Oakland, and the City of San Jose) are as follows:

Santa Clara County	Electricity	2%
	Natural Gas	2%
Alameda County	Electricity	2%
	Natural Gas	2%
Contra Costa County	Electricity	2%
	Natural Gas	2%
City of Oakland	Electricity	2%
	Natural Gas	2%
City of San Jose	Electricity	2%
	Natural Gas	2%
Average rate for electricity		2%
Average rate for natural gas		2%

At its meeting of October 19, 1994, the Budget Committee of the Board of Supervisors directed that a letter be sent to PG&E requesting that PG&E provide the Budget Committee with a list of the franchise fee rates paid by PG&E to all cities and counties in the Bay Area.

4. Franchise fees paid to the City are considered a cost of doing business for PG&E. It is possible that PG&E would attempt to pass such costs on to rate payers. However, the California Public Utilities Commission (CPUC) must approve any PG&E proposed rate increases.

5. Changes to the franchise fees notwithstanding, the Board of Supervisors may wish to consider amending the existing ordinances to remove references to Article XI Section 19 of the Constitution of the State of California, which was repealed on June 2, 1970.

6. By increasing franchise fee rates from one-half of one percent to one percent on electricity, and from one percent to one and one-half percent on natural gas as stipulated in the proposed resolution, the City would receive an estimated \$3,100,000 (see table below) in annual increased revenues if the City's Franchise Fee rates were increased to reflect the percentages noted above.

Current Franchise Fee Rates (% of gross receipts)	Budgeted FY 1994-95 Franchise Fee Revenue Based on Existing 1/2 Percent Rate for Electricity Sales and 1 Percent Rate for <u>Natural Gas Sales</u>	Estimated Annual Franchise Fee Revenue based on a 1 Percent Rate for Electricity Sales and 1 1/2 Percent Rate for <u>Natural Gas Sales</u>	Estimated Annual Franchise Fee Revenue Increase Payable by PG&E to the City
Electricity	\$2,350,000	\$4,700,000	\$2,350,000
Natural Gas	<u>1,500,000</u>	<u>2,250,000</u>	<u>750,000</u>
Total	\$3,850,000	\$6,950,000	\$3,100,000

7. According to Ms. Anne Jenkins of the Controller's Office, all such franchise fees paid to the City by PG&E accrue to the City's General Fund.

8. The Budget Committee has requested a formal written opinion from the City Attorney pertaining to this subject matter.

**Recommendation:** Approval of the proposed resolution is a policy decision for the Board of Supervisors.





Item 10 -File 54-94-12

**Department:** Board of Supervisors

**Item:** Motion (a) directing the Board of Supervisors Budget Analyst to conduct a "Zero Base" Budget Analysis of various City departments designated by the Budget Committee and (b) directing the Clerk of the Board to submit a supplemental appropriation request to the Mayor for funds necessary to conduct the "Zero Base" Budget Analysis.

**Amount:** \$154,980

**Description:** This item is a motion directing the Budget Analyst to conduct a "Zero Base" Budget Analysis of various City departments designated by the Budget Committee and directing the Clerk of the Board to submit the necessary supplemental appropriation request to the Mayor. This project would coincide with the implementation of a "Mission Driven" budget for selected departments for the 1994-95 Fiscal Year.

The project would modify and build on the Zero Base Budget Analysis approach conducted jointly by the Budget Analyst and Mayor's Office for Fiscal Year 1994-95. In that project, 18 General Fund departments were reviewed which, together, comprised 88 percent of the net General Fund expenditures (net of debt service requirements, reserves, and capital/facilities maintenance appropriations). The analysis resulted in recommended expenditure reductions and revenue enhancements totaling \$20.8 million annually. The Mayor and the Board of Supervisors accepted approximately \$15.9 million of the Budget Analyst's recommendations during the 1994-95 budget review.

***Zero Base Approach***

The Zero Base approach is guided by the following principles:

- ☐ Existing programs and expenditures are not assumed to automatically be continued from year to year;
- ☐ No assumption is made that the way services are delivered should continue; alternatives are considered for increased efficiency;

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

- The link between expenditures and program outcomes is examined;
- Expenditures are evaluated on the basis of their contribution to each department's mission and specific program goals and outcomes. This directly relates to the "mission driven" budget.

As part of the Zero Base analysis, expenditures are broken down into "programs", which are defined as distinct functions directed toward achieving an objective. Programs may be services provided directly to the public, to another department, or an administrative function. Programs should not be defined so broadly that they obscure important considerations nor so narrow that they reflect work procedures rather than distinct service areas. By providing expenditure information in a program format, it is easier for the Mayor and Board of Supervisors to evaluate the effectiveness of programs and to determine appropriate funding levels in the context of the department's mission and goals and objectives.

Cost, revenue, staffing, and performance data are analyzed by program. In our experience last year, this information had to be developed as many departments did not maintain cost and performance data on a programmatic basis. This approach to analyzing department budgets was used by the Budget Committee and the Mayor's Office, providing meaningful information to evaluate resource allocation levels.

### ***The Link between Zero Base and Mission Driven Budgeting***

The newly adopted "mission driven" budgeting approach will require each department to annually provide the Mayor and Board of Supervisors with its mission statement and specific program goals and objectives, along with cost, revenue, and performance data for each program area. A Zero Base analysis of program areas will provide information and recommendations on the appropriate level of funding for program areas based on actual performance and an analysis of alternative approaches.

### ***Work Plan***

The specific tasks to be performed for a Zero Base review for 1995-96 would consist of the following three components:

1. Review entire budget of General Fund departments not included in last year's review that will be implementing "mission-driven" budgeting this year. Those departments are:
  - Ethics
  - Commission on Aging
  - Recreation & Parks
  - Telecommunications
  - Purchaser

*Estimated Hours: 400*

2. Conduct a Zero Base Budget Analysis of requests by General Fund departments for new programs or increased funding for existing programs. Evaluate justification for requested funds in the context of program goals and objectives and cost-effectiveness.

*Estimated Hours: 645*

3. Identify one or more program areas, determined in collaboration with the Mayor's Office, from each General Fund department's budget for a Zero Base Budget review. Examples might include the Maintenance program at Muni, the Finance/Accounting program at DPH and others. Altogether, aim for a review of approximately 15 percent of the General Fund.

*Estimated Hours: 800*

*Total Estimated Hours: 1,845*

### ***Costs***

The proposed analysis would require an estimated 1,845 hours of professional staff time. Based on an average hourly rate of \$84, total costs for the Budget Analyst's services would be \$154,980.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comment:**

Item 1 (File 101-94-18), Item 3 (File 101-94-20) and Item 4 (File 101-94-21) in this 10/26/94 report to the Budget Committee (in addition to this request of \$154,980 in new General Fund monies) contain a total of \$2,380,546 (\$586,900 - Item 1, \$848,942 - Item 3 and \$944,704 - Item 4) in new General Fund monies. The balance in the General Fund Reserve as of October 5, 1994 was \$8,035,397. If this request, together with Items 1, 3 and 4, are all approved, the General Fund Reserve would have a balance of \$5,499,871 (\$8,035,397 less \$154,980 less \$2,380,546.

However, as previously reported to the Budget Committee, in the professional judgment of the Budget Analyst, a detailed Zero-Base Budget Analysis of the City's General Fund budget should result in annual ongoing savings to the City significantly in excess of the cost of \$154,980. Under the previous Zero-Base Budget Analysis, the Mayor and the Board of Supervisors accepted approximately \$15.9 million of the Budget Analyst's recommendations.

**Recommendation:** Approval of this proposed motion is a policy matter for the Board of Supervisors.

Item 11 - File 229-94-2

**Department:** Chief Administrative Officer (CAO)  
Department of Electricity and Telecommunications (DET)

**Item:** Draft resolution finding that the 800 MHz Management and Radio Systems Engineering with Optional 911 Project being negotiated between the Chief Administrative Officer (CAO) and Motorola, Inc., should be subject to competitive bidding; and urging the Mayor to urge the CAO to notify the Board of Supervisors in all cases where contracts for services exceed \$1,000,000; and urging the Mayor to urge the Purchaser to provide a list of all contracts in the last five years that were not subject to competitive bidding, whose value exceeded \$1,000,000.

**Description:** The CAO and the DET are currently engaged in negotiations with Motorola Communications and Electronics, Inc. (Motorola) to finalize an Amended and Restated Master Agreement for providing a Citywide Radio Communication System, at an estimated cost of approximately \$40 million. The goal of this system would be to convert and replace the City-wide radio communications systems to an 800 MHz simulcast trunking radio system. The proposed new system would enable City Departments and other public agencies in San Francisco to communicate more efficiently and reliably by radio to carryout public safety and other public service functions.

As explained below, the City has an existing 800 MHz trunking radio system, designed under several separate contracts by Motorola. This system is used by the San Francisco Unified School District, the Department of Public Works (DPW), the Department of Public Health Emergency Medical Services, the Department of Animal Care and Control, the City College of San Francisco, the Port Authority, and the DET. However, Mr. Larry Garde of the DET advises that the existing system (1) needs to be expanded to include the Department of Parking and Traffic (DPT), the Recreation and Park Department (RPD), the Water Department, the Office of Emergency Services and the Sheriff's Department; (2) a separate but compatible system needs to be designed for the Police Department (SFPD), the Fire Department (SFFD) and the Department of Public Health's Emergency Medical Services Division, which have components of a trunking system already; (3) the entire system needs to be converted from operating through a single transmission site to a "simulcast system" which operates through multiple transmission sites at various locations to



improve radio coverage; and (4) the number of channels available for use by the radio system needs to be expanded to accommodate the new users.

The Purchasing Department and the Human Rights Commission (HRC) have approved a sole source contract with Motorola for this new system. According to the City Attorney, Section 21.18 of the Administrative Code authorizes the Purchaser to approve sole source contracts (see Comment 1, below). The proposed agreement would have to be approved by the Board of Supervisors, because payments to Motorola would exceed \$10 million. Charter Section 3.502 requires Board of Supervisors approval of all contracts for services that exceed \$10 million or ten years duration.

### Background

During the 1980s, the Federal Communications Commission (FCC) responded to a shortage of radio frequencies by designating a block of frequencies in the 800 MHz band for use by public safety agencies. City agencies started to convert their radio systems to 800 MHz systems, at the same time installing "trunking" technology, which groups frequencies so that a computer can assign any available radio channel within the group to radio users on a first come, first served basis to achieve more efficient use of the system.

According to Mr. Daniel McFarland, General Manager of the DET, all 800 MHz Trunking Radio Systems are proprietary: that is, each company has the exclusive rights to market the system which that company has developed. Furthermore, Mr. Fred Weiner of the DET advises that these radio systems have been designed so that components of a particular system are only compatible with equipment manufactured for that system.

In 1986, the San Francisco Unified School District (SFUSD) became the first City entity to convert to an 800 MHz trunking radio system. Motorola was selected to provide the SFUSD system on the basis of a competitive bid.

In 1989, the Police Department (SFPD) procured a radio dispatch console system that was compatible with the SFUSD 800 MHz trunked system. Again, Motorola was selected on the basis of a competitive bid.

Since 1989, several other Departments (see below) have converted to the 800 MHz system. Motorola has been the sole source contractor in each case, because the DET and the

Purchaser agreed that it was desirable that new systems be compatible with the existing 800 MHz trunking systems. On the advice of the HRC, as it pertains to minority subcontractors to Motorola, a 10-Year Master Agreement was signed with Motorola which established general terms and conditions for all work to be performed by Motorola on City-wide radio communication systems.

City agencies that have converted to an 800 MHz trunking system based on sole source contracts with Motorola include (1) the Department of Animal Care and Control; (2) the Department of Public Works (DPW); (3) the Department of Public Health (DPH) Emergency Medical Services; (4) the SFPD Narcotics Bureau (this project has been delayed for lack of funds); (5) the Port of San Francisco; and (6) the Fire Department (SFFD) Auxiliary Water Supply System (AWSS), a high pressure water supply for fire fighting project. The existing sole source contracts with Motorola were not brought before the Board of Supervisors for approval because none of these contracts exceeded the \$10 million or ten year threshold over which Board of Supervisors contract approval is required.

The DET advises that, to date, the City has spent a total of \$5.24 million to purchase the existing 80 MHz trunking systems and consoles under the contracts described above.

In November, 1993, the citizens of San Francisco approved a \$50 million General Obligation Bond measure (Proposition H) to finance the lease/purchase of a City-wide radio communications system and related equipment and pay for design costs and bond administration costs incurred by the DET. In January, 1994 the DET received approval from the Purchasing Department and the Human Rights Commission to allow the DET to contract with Motorola on a sole source basis for the City-wide system.

In a January 5, 1994 letter from Mr. McFarland to Mr. M. H. Geistlinger, Director of Purchasing, Mr. McFarland cites four justifications for a sole source waiver: (1) the proprietary nature of a radio trunking system; (2) compatibility with the City's existing radio trunking system; (3) protection of the City's investment in a radio trunking system; and (4) avoidance of disruption to the City's radio operations.

The proposed resolution would make a finding that the contract to provide a City-wide simulcast 800 MHz trunking radio system should be subject to competitive bidding, rather than granted to Motorola through a sole source agreement.

The proposed resolution would also urge the Mayor to urge the CAO to notify the Board of Supervisors in all cases where contracts for services exceed \$1 million. As noted above, Charter Section 3.502 requires Board of Supervisors approval only in cases where contracts for services exceed \$10 million or ten year's duration.

**Comments:**

1. Deputy City Attorney Victor Castillo states that as a general rule, competitive bidding procedures for a charter city are mandatory. However, Mr. Castillo states that there is a well-recognized exception to that rule in instances where competitive bids would be unavailing or fail to produce any advantage. Mr. Castillo further advises that Section 21.18 of the Administrative Code authorizes the Purchaser to establish written rules and regulations for the purchase of articles where there is only one known source of supply or patented or proprietary articles.

2. Mr. Castillo confirms that the contract requires Motorola to provide the lowest discount given by Motorola for each piece of equipment among (1) the three lowest bids Motorola has won in the United States within the last four years for an 800 MHz Simulcast Smartnet System (similar to that to be installed in San Francisco) and (2) the three lowest bids Motorola has won in the United States within the last four year for an 800 MHz Conventional Smartnet System.

Mr. Castillo reports that the draft Master Agreement would also specify labor rates. Mr. Castillo advises that many contracts do not specify labor rates, which account for 15 to 20 percent of total costs and can therefore have a significant impact on total project costs.

3. Mr. McFarland advises that the draft Revised Master Agreement with Motorola, which is currently under negotiation, contains provisions that should work to the financial advantage of the City. Mr. McFarland states that in a competitive bidding situation, any competitor would be at a \$5.24 million (or estimated \$6.1 million replacement cost) disadvantage to Motorola because the competitor would have to remove and replace the existing equipment.

4. Mr. Rudolf Nothenberg, Chief Administrative Officer, states that he believes the City is negotiating a contract with Motorola that is a less expensive acquisition than if the project were put out to competitive bid. Mr. Nothenberg advises that the potential contract with Motorola offers what he believes to be the best possible discounts on the equipment that will be provided. He further states that under a

competitive bidding situation, Motorola would not be constrained to offer the City the same terms it has offered in the sole source negotiations, because the City would be required to accept the lowest bid at whatever level that bid came in. Mr. Nothenberg states that "it is inconceivable that anyone could compete with Motorola because of the installed base of equipment which is incompatible with other systems."

5. Mr. Nothenberg advises that there are two ways the City could put the project up for competitive bid: (1) The City could issue a Request for Information (RFI) to solicit general proposals and a not-to-exceed price, select a purveyor, and then negotiate a sole source contract; or (2) the DET or a consultant could develop detailed specifications for the project and issue a Request for Proposals (RFP). Mr. McFarland estimates that it would require approximately one year for such detailed specifications to be developed.

6. Mr. Weiner states that the sole source agreement allows the DET to develop specifications in-house, in stages. He advises that the DET has issued an RFP to hire engineering consultants to review the specifications and assist in managing the project. Mr. Weiner states that it would be much more difficult for the DET to develop complete specifications for the entire Citywide system at the outset, in order to prepare an RFP. He states that considerably higher costs would be incurred to hire a consultant to prepare complete specifications, as opposed to reviewing specifications developed over time by DET staff. Mr. Weiner states that the cost of consultant services for preparation of specifications could be paid out of bond proceeds, rather than the General Fund.

7. Mr. Castillo states that, if the project is put out to bid, he would have to advise the DET not to use the general specifications that have been developed to date during the negotiation process with Motorola, and, at a minimum, to hire an independent engineering firm to develop new specifications. Mr. Castillo advises that otherwise Motorola would have an unfair advantage in the bidding process.

8. Although the Cities of Los Angeles and Oakland, which have conducted competitive bids for similar radio systems in recent years, both prepared specifications in-house, Mr. Ron Allison of the County of Sacramento advises that his jurisdiction hired a consultant to assist the County in evaluation of County-wide needs and preparation of specifications for a Request for Proposals. Mr. Allison reports that the cost of these consultant services was approximately



\$200,000 to \$300,000. Mr. Allison states that the County of Sacramento radio system will serve a somewhat wider geographical area than will the San Francisco radio system.

9. The draft Master Agreement would require Motorola to warrant that the City-wide 800 MHz project would be compatible with all the existing 800 MHz Motorola trunking equipment in the SFUSD and City agencies. The draft Agreement would further require Motorola to warrant that completion of the project will not degrade or lessen any of the installed 800 MHz radio trunking functions and features. The determination of whether or not the existing Motorola equipment is compatible with and necessary for the completed simulcast 800 MHz trunking system is a crucial technical issue in justifying a sole source agreement. The CAO, the Purchaser and the City Attorney are relying on the expertise of the DET on this issue.

10. The Ericsson GE Corporation has been the major competitor to Motorola for radio systems of the type and scope contemplated in San Francisco. Mr. John Herd, Bay Area Major Accounts Manager for Ericsson GE, advised the Budget Analyst that, "We would very much like to bid on a radio communications system for San Francisco." Mr. Herd advises that, if the City wants to competitively bid the contract, the specifications should be developed so that they do not specify that the existing Motorola equipment must be used, as such a specification would exclude all bidders except Motorola. Mr. Herd suggests that the City certify vendors before going through an RFP process, based on a Request for Qualifications.

11. Mr. Ara Minasian of the Purchaser's Office states that the Purchaser would have no problem with providing the Board of Supervisors with prior notification of all future contracts for services in excess of \$1 million, although the Purchaser is concerned about potential delays in the contracting process, depending upon the amount of prior notice that was required.

Mr. Minasian states that the requested information regarding a five-year history of contracts over \$1 million may exist in automated and manual files in Purchasing, and other information may be available in the files of the Controller or Human Rights Commission. Mr. Minasian stated that it is not known if it will be possible to compile a detailed five-year history of this information in a reasonable amount of time. Purchasing will see how much of this information can be readily compiled and reported to the Board of Supervisors.



12. As of the writing of this report, the proposed resolution was in draft form.

13. In summary, San Francisco agencies have been acquiring 800 MHz trunking system components for several years from Motorola. Following two initial competitive bid processes by the SFUSD and the SFPD, several contracts have been granted by the City to Motorola on a sole source basis because Motorola had installed the basic 800 MHz trunking system to which all components were linked. The subject contract in question here would expand the system and convert it to a simulcast system. The DET estimates that, altogether, the City has invested \$5.24 million in Motorola equipment which DET officials believe would need to be replaced if another company installed the simulcast radio system. The DET obtained approvals from the CAO, the Purchaser and the Human Rights Commission to prepare a sole source contract with Motorola for the simulcast radio system. City negotiators have attempted to obtain competitive prices from Motorola through proposed contract provisions that would require Motorola to give the City discounts on equipment equal to the highest discounts which Motorola has given six cities nationwide in which Motorola won recent contracts. However, an executive for Motorola's major competitor, Ericsson GE Corporation, advised the Budget Analyst that Ericsson GE would be interested in participating in a competitive bid, if specifications do not require compatibility with the existing Motorola equipment. The cost of obtaining consultant services to assist the DET in preparation of specifications is unknown. However, Sacramento County spent approximately \$200,000 to \$300,000 for comparable consulting services. The cost of such services could be paid by bond proceeds from, rather than the General Fund.

**Conclusion:**

The Budget Analyst concludes that it is impossible to predict the results of a competitive bidding process for the City-wide Radio Communication System. While we believe that the DET and the CAO have acted in a reasonable and responsible manner in proceeding with negotiations for a sole source agreement with Motorola, it is possible that the City could obtain an improved contract through a competitive bidding process. If the City does pursue a competitive bidding process, we believe that it would be advisable to obtain the services of an independent expert to evaluate the system needs as defined by DET and applicable City Departments, and to prepare specifications for an RFP.

**Recommendation:** The proposed resolution to utilize a competitive bidding process to acquire a City-wide Radio Communication System is a policy matter for the Board of Supervisors. As previously noted, if it were decided to proceed with a sole source contract with Motorola, that contract would be subject to future separate legislative approval by the Board of Supervisors, in accordance with Charter Section 3.502.

Item 12 - File 165-93-10.1

**Item:** Hearing to consider the Budget Analyst's comprehensive management audit of programs affecting the homeless administered by the City and County of San Francisco.

**Description:** This item is a hearing to consider the Special Study of Programs Affecting the Homeless Administered by the City and County of San Francisco, submitted by the Budget Analyst to the Board of Supervisors on October 17, 1994. A copy of the transmittal letter that accompanies the study, along with a summary chart showing total direct and indirect costs of services affecting the homeless by City Department and funding source, is attached to this report.

**BOARD OF SUPERVISORS**

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

October 17, 1994

Honorable Angela Alioto  
President, Board of Supervisors  
City and County of San Francisco  
Room 235, City Hall  
San Francisco, California 94102

Dear President Alioto:

Transmitted herewith is the Budget Analyst's special study of programs affecting the homeless administered by the City and County of San Francisco (City). The scope of the study was to determine and verify the source of funds for all homeless programs, specify expenditures for homeless programs, identify administrative and management responsibility for such programs, and provide an inventory of services provided by homeless programs administered by the City and County of San Francisco.

The primary findings of this study are as follows:

- The City administered an estimated total of \$75,791,511 in funding for direct and indirect programs affecting the homeless in FY 1993-94. The General Fund was the revenue source for 43.7 percent of the total, and other local revenue sources contributed another 7.3 percent of the funds. The Federal government provided 35.2 percent, State government provided 12.5 percent, and fees and donations provided 1.3 percent of the funds for programs affecting the homeless that were administered by the City and County.
- The City administered an estimated \$51,405,495 in direct services for the homeless during FY 1993-94, of which 34.4 percent was General Fund money. These services were administered by eleven agencies and Departments of City government.

- Although the Office of the Mayor's Homeless Coordinator (\$125,691) has represented the Mayor in all aspects of homeless policy, the Mayor's Homeless Coordinator has no direct authority over any of the City's homeless programs.
- The Mayor's Office of Housing (\$13,318,773) and the Redevelopment Agency (\$3,630,900) administered Federal funds and local Tax Increment funds to provide capital for development of transitional and permanent housing for the homeless and for persons with AIDS/HIV at risk of becoming homeless. In addition, the San Francisco Housing Authority (\$2,876,815) administered a group of Federally-funded Section 8 rent subsidy vouchers and certificates specifically designed to provide permanent housing for homeless persons.
- The Department of Social Services (\$9,083,772) used General Fund revenues to fund shelters and a variety of emergency services for the homeless, as well as social services for formerly homeless persons in transitional and permanent housing projects. The Mayor's Office of Community Development (\$1,865,638) allocated Federal funds for operational and rehabilitation funding for homeless shelters and other emergency social services for the homeless. In addition, emergency shelter services for temporarily homeless battered women and children, supported by the General Fund and other local revenues, were administered by the Commission on the Status of Women (\$442,067).
- The Department of Public Health (\$19,213,373) administered a variety of Federal, State and local funding sources, including \$7,560,987 in General Fund revenues, that supported programs affecting the homeless in the areas of medical services, services for persons with AIDS/HIV, mental health services, and substance abuse services. Some of these programs directly targeted homeless persons and others served homeless persons as part of providing services to the general public.
- The Mayor's Criminal Justice Council (\$94,292) and the Juvenile Probation Department (\$623,000) used State and General Fund monies to fund emergency services for runaway and homeless youth.
- The Commission on the Aging (\$131,174) used local and Federal funds to support services for seniors at risk of homelessness.
- As detailed in this report, the majority of direct services for the homeless were provided by private non-profit organizations, under contract to City agencies and Departments. Many of these organizations receive additional funding from grants and contributions that are not administered by the City.
- We have identified eight areas of City administration that indirectly affect homeless persons or are related to the presence of a homeless population in San Francisco. The estimated cost of these indirect programs in FY 1993-94 was \$24,386,016, of which 63.5 percent was General Fund money.

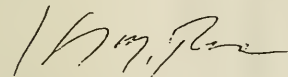


- General Assistance (\$10,731,388) cash grants, funded 100 percent with General Fund monies, were provided to approximately 3,000 clients each month who declared themselves to be homeless. Aid to Families with Dependent Children (AFDC) (\$1,847,292), funded primarily with Federal (47.8 percent) and State (44.4 percent) revenues, provided cash grants to an average of 181 homeless families per month and provided various homelessness prevention services.
- San Francisco General Hospital (\$9,111,149) used a combination of State (69.3 percent) and General Fund (30.7 percent) monies to finance the cost of treatment of persons who gave no address and had no third party source of payment for Psychiatric Emergency, Emergency Department, Outpatient and Inpatient services. The Paramedics Division of the Department of Public Health (\$1,000,000) used General Fund monies to fund response to emergency calls involving homeless persons.
- The Departments of Public Works and Recreation and Park provided clean-up services in areas affected by the homeless. The Bureau of Street Environmental Services in the Department of Public Works (\$544,800) used State Gas Tax and Cal Trans revenues, as well as General Fund revenues to allocate staff to perform a variety of street clean-up and repair activities in areas that are heavily used by homeless persons. The Recreation and Park Department (\$436,500) used local revenues to staff the cleanup of areas of Golden Gate Park and neighborhood parks where consistent camping by homeless persons occurs.
- The Police Department (\$537,923) allocated staff to enforce nuisance and quality of life violations as part of the Matrix Program, funded an outreach team to provide security for Department of Social Services and Department of Public Health Matrix outreach workers, and allocated staff to a Matrix Night Referral Shelter Program, all supported by the General Fund. Based on a review of available information and discussions with SFPD administrators, costs for enforcement activities included in this report represent what we believe to be a reasonable estimate of the cost of these activities only as they relate to homeless persons, although the departments were unable to provide clear data to verify our assumptions about the proportion of Matrix activity affecting the homeless. The Sheriff's Department (\$176,964) booked homeless and other persons arrested under the Matrix Program and held some arrestees in jail while awaiting a Municipal Court appearance. All of these expenses were supported by the General Fund. Again, in the absence of adequate data on arrests or the portion of those arrests affecting the homeless, the Budget Analyst has made various assumptions based on available information in order to arrive at a cost estimate for Sheriff's Department expenses related specifically to the homeless.

Honorable Angela Alioto  
President, Board of Supervisors  
City and County of San Francisco  
October 17, 1994  
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Throughout the course of this study, we were most appreciative of the cooperation of the staff members of the many City Departments that administer programs affecting the homeless.

Respectfully submitted,



Harvey M. Rose  
Budget Analyst

cc: Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Hsieh  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Migden  
Supervisor Shelley  
Clerk of the Board  
Mayor Jordan  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey  
Eleanor Jacobs, Mayor's Homeless Coordinator

DIRECT SERVICES PROVIDED TO THE HOMELESS  
FY 1993-94

DIRECT SERVICE PROGRAMS	GENERAL FUND	OTHER LOCAL REVENUES	STATE	FEDERAL	FEES AND DONATIONS	TOTAL
Office of Mayor's Homeless Coordinator	\$118,594			\$7,097		\$125,691
Mayor's Office of Housing		\$3,570,045		\$9,748,728		\$13,318,773
Mayor's Office of Community Development				\$1,865,638		\$1,865,638
Mayor's Criminal Justice Council			\$94,292			\$94,292
Department of Social Services	\$9,083,772					\$9,083,772
Department of Public Health	\$7,560,987		\$1,768,945	\$8,925,559	\$957,882	\$19,213,373
Juvenile Probation Department	\$623,000					\$623,000
Redevelopment Agency		\$1,285,000		\$2,345,900		\$3,630,900
San Francisco Housing Authority				\$2,876,815		\$2,876,815
Commission on the Aging		\$97,910		\$33,264		\$131,174
Commission on the Status of Women	\$304,057	\$138,010				\$442,067
<b>TOTAL DIRECT SERVICE COSTS</b>	<b>\$17,690,410</b>	<b>\$5,090,965</b>	<b>\$1,863,237</b>	<b>\$25,803,001</b>	<b>\$957,882</b>	<b>\$51,405,495</b>

INDIRECT HOMELESS COSTS  
FY 1993-94

INDIRECT PROGRAMS	GENERAL FUND	OTHER LOCAL REVENUES	STATE	FEDERAL	FEES AND DONATIONS	TOTAL
General Assistance	\$10,731,388					\$10,731,388
Aid to Families with Dependent Children	\$144,076		\$820,812	\$882,404		\$1,847,292
San Francisco General Hospital	\$2,800,000		\$6,311,149			\$9,111,149
Panamedies Division, DPH	\$1,000,000					\$1,000,000
Department of Public Works	\$83,200		\$461,600			\$544,800
Department of Recreation and Parks		\$436,500				\$436,500
Matrix Program Enforcement & Services - Police Dept.	\$537,923					\$537,923
Matrix Program - Sheriff's Department	\$176,964					\$176,964
<b>TOTAL INDIRECT COSTS</b>	<b>\$15,473,551</b>	<b>\$436,500</b>	<b>\$7,593,561</b>	<b>\$882,404</b>	<b>\$0</b>	<b>\$24,386,016</b>

<b>TOTAL DIRECT AND INDIRECT COSTS</b>	<b>\$33,163,961</b>	<b>\$5,527,465</b>	<b>\$9,456,798</b>	<b>\$26,685,405</b>	<b>\$957,882</b>	<b>\$75,791,511</b>
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Costs shown here represent estimates of the portion of program activity that affected the homeless. In some cases, particularly for Police and Sheriff's Department Matrix Program costs, the Budget Analyst has had to make numerous assumptions based on available information to arrive at a reasonable estimate in the absence of data on the proportion of program activity involving the homeless.

Item 13 - File 68-94-13

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution authorizing the Mayor to apply for, receive and expend Section 108 Loan Guarantee Funds in a total amount not to exceed \$6 million and a related grant of Economic Development Initiative Funds in a total amount not to exceed \$600,000, from the U. S. Department of Housing and Urban Development for a Small Business Revolving Loan Program; indirect cost associated with the acceptance of the loan funds will be provided from the Community Development Block Grant Program.

<b>Amount:</b>	Loan Guarantee Funds	\$6,000,000
	Economic Development Initiative Funds	<u>600,000</u>
	Total	\$6,600,000

**Source of Funds:** U. S. Department of Housing and Urban Development (HUD)

**Description:** Mr. Bernhard Gunther of the MOCD advises that the proposed Loan Guarantee Funds and the Economic Development Initiative Funds totaling \$6,600,000 would be used entirely to provide loans to small businesses.

According to Mr. Gunther, in order for a small business to be eligible for these loan monies, the firm would have to meet the following criteria: (1) it must be a local business, (2) it must demonstrate that it has been unable to qualify for traditional financing (i. e., bank financing) and (3) it must agree to create at least one new position for every \$35,000 it is loaned. Mr. Gunther advises that the loans made to eligible small businesses would generally average about \$75,000 per loan resulting in an estimated 88 loans.

Mr. Gunther reports that the MOCD would be responsible for administering the proposed loan funds, which would primarily involve reviewing loan packages and monitoring the loan program. According to Mr. Gunther, the cost to administer this program, which has not yet been determined, would be paid for by 1994-95 Community Development Block Grant (CDBG) Funds. Mr. Gunther states that the indirect costs associated with the proposed \$600,000 in grant monies would also be paid for by CDBG Funds under the CDBG's administration category. Mr. Gunther advises that the level of indirect costs would be determined based on advice from the Controller's Office as to the appropriate amount of indirect costs which should be budgeted for this purpose.



**Comments:**

1. As noted above, the MOCD has not, as yet, determined (1) the amount of CDBG Funds that will be required to pay for MOCD's administrative costs in connection with the proposed loan monies and (2) the specific amount of CDBG Funds which will be budgeted for indirect costs associated with the grant portion of these loan monies. Additionally, Mr. Gunther advises that the MOCD has not, as yet, received the formal notification of award from HUD for these loan monies. As such, the Budget Analyst recommends that the authority for MOCD to receive and expend the proposed loan monies be deleted from the proposed resolution pending (1) the MOCD providing budget details on the costs to administer the loan monies along with the specific amount of the indirect costs associated with the grant portion of the loan monies and (2) MOCD's receipt of the formal notification of award from HUD for the subject loan monies.

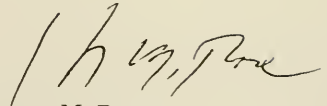
2. Mr. Gunther notes that although the MOCD has not received the formal notification of award for the proposed loan monies, the MOCD does not anticipate that there will be any change in the amount of the loan monies based on the fact that there are substantial monies available under the Section 108 Loan Guarantee Program and the City would not be competing with other jurisdictions for a limited pool of funds.

3. The small businesses which receive the loans would be required to repay such loans to the City generally over a three-year period at an interest rate which would typically be based on the prevailing market rate. The proceeds from the loan repayments would be used by MOCD to make additional loans.

**Recommendations:** 1. Amend the proposed resolution to delete the authorization for MOCD to receive and expend the proposed loan monies pending (1) the MOCD providing budget details on the costs to administer the proposed loan monies along with the specific amount of the indirect costs associated with the grant portion of the proposed loan monies and (2) MOCD's receipt of the formal notification of award from HUD for the proposed loan funds.



2. Approve the proposed resolution as amended.



Harvey M. Rose

cc: Supervisor Hsieh  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Migden  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey











